# reason

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TAXES ARE REVOLTING
KARL J. BRAY

THE RISKS OF TAX RESISTANCE
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THE INTERNAL REVENUE NARCS
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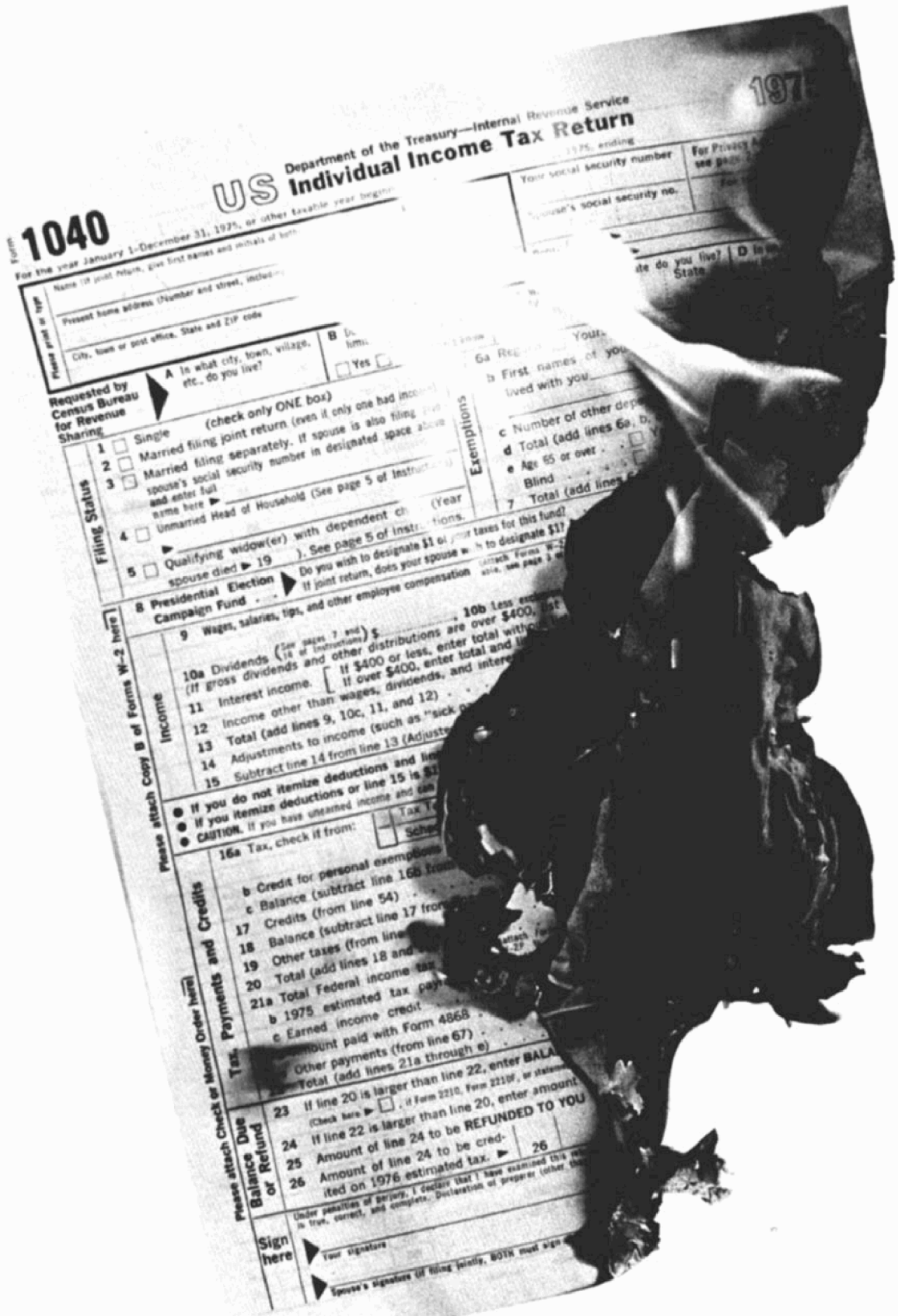


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# YOU CAN DEFEND CAPITALISM!

## A LIBERTARIAN MOVIE?

In the December, 1975, issue of *Reason* three outstanding libertarians told us we were losing the battle to preserve individual freedom and capitalism. All of the articles, "Who Will Defend Capitalism?" by Benjamin Rogge, "Anti-Capitalism and Business" by Charles G. Koch and "In Defense of Capitalism" by Harry Schultz lead one to the conclusion that the intellectuals and opinion makers are all on the side of socialism and that they are the only ones sufficiently articulate to reach the masses in a convincing manner. None of the authors offer any positive program for fruitful action to even begin to reverse the tide.

That is the reason for this message. There is something which can be done . . . if you are willing to participate.

We have a positive operating plan to use the most effective media available to articulate and entertain the masses in the incredible benefits of capitalism. We are producing a feature length commercial motion picture entitled THE REPEAL OF THE 20th CENTURY.

This story is based upon a speech given by Harry Browne *(How You Can Profit From the Coming Devaluation, You Can Profit From a Monetary Crisis, How I Found Freedom in an Unfree World)* in 1963 to promote a course that he was teaching called "The Economics of Freedom." We have acquired all motion picture, television, screenplay and publishing rights from Harry Browne, along with the limited right to use his name in the promotion of the picture.

THE REPEAL OF THE 20th CENTURY will show for the first time, in neighborhood theatres across America, how wonderful life would be today in the United States if all of the freedom-restricting laws enacted since 1900 were repealed. No income tax! No regulatory agencies! No Federal Reserve Bank! No minimum wage laws! The picture depicts the incredible benefits to all of living in real freedom and its effect on prices, services, supplies, individual opportunity and the overall attitude of the people. And most important . . . it is all entertainment — not a preaching, intellectualized documentary.

The film also shows what life in the United States has already, or will soon, become if our attitude as a nation toward the restriction of individual freedom and capitalism continues unchanged: rampant and devastating inflation followed ultimately by a depression, food shortages and supermarket riots, fuel shortages, a total collapse of law and order and an escalation in violent crimes against members of the community.

The main character David Hayes, a popular governor, decides that government has gotten out of hand and that he can do something about it. He resigns from the Democratic Party and declares for President under the aegis of a small third party — the Constitution Party. He calls for an immediate nationwide tax revolt, noting that this is the only way the individual citizen can assert his sovereignty because the various legislators will never vote themselves out of their cushy jobs. He also points out that the main problem has been caused by full-time legislators passing laws all day, every day, at every level of government, thus causing more regulation, less freedom and ever higher taxes. Hayes observes that there are not enough government enforcement officials or jails to even begin to enforce tax laws that are not willingly and voluntarily complied with. Hordes of government employees and welfare recipients are forced to find productive employment because they are no longer receiving their pay checks.

As Hayes' popularity increases and the tax revolt gains strength, the people find their lives improved, rather than diminished, by the collapse of all but the absolutely essential services formerly provided by government. Powerful members of the establishment — from both major parties as well as from certain government agencies — attempt first to discredit Hayes — and then to assassinate him.

We believe that this motion picture will do more in two hours to demonstrate the difference between socialism and capitalism than any other device. There is something in it for everyone. Every viewer should walk away with the realization that if government would get off his back, he would have a chance to pursue happiness in whatever way he chooses.

This motion picture project has been presented to most of the major studios, and a pattern of response has now apparently developed. We are advised that the script is well-written, that the material is exciting, but that it is too politically controversial. We have therefore concluded that if we are going to get the picture produced and into the market place before the conventions and the election, we will have to do it independently, on a modest budget, utilizing non-union crews and relatively unknown, but highly competent, actors. We found a young libertarian producer-director who can do the job within the time and budget we have set. We are in the process of financing the production costs of $500,000 from private sources. It is, however, anticipated that it may take several months to complete this financing.

### PURPOSE OF THIS AD

We feel that it is important to have the picture completed and in distribution by this bicentennial summer. Therefore, we cannot wait for the completion of the financing before beginning the all important time and money-saving part of motion picture production, called pre-production. To pay these pre-production expenses, we are selling for $100 each, beautifully bound personalized, hard cover copies of the screenplay written by Don Balluck *(High Chaparral, The Rookies, Streets of San Francisco)*. We are not asking for an investment. We are not asking for a donation. Your personalized copy will be a memento of your part in the defense of capitalism that you will cherish all of your life. We make this offer with a 100% moneyback guarantee. If, after reading the script, you are not completely satisfied, return the script within 10 days for a full refund. Don't wait; we urgently need your help. Send your check today for $100 to:

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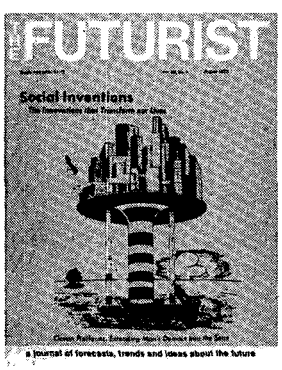


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# EDITORIAL

## THE FLYING WHITE ELEPHANT

On February 4 Secretary of Transportation William Coleman granted temporary permission for the Concorde supersonic transport to land at New York and Washington, DC. Coleman's decision capped months of heated controversy, in which both sides distorted facts and made emotional appeals. Many news media have attempted to frame the issue as one pitting advocates of "technology for technology's sake" against opponents of technology. Such a framework seriously obscures the real issues at stake in the Concorde case. Far from being a case of pro- versus anti-technology, Concorde represents an enlightening example of government (and its big business allies) versus taxpayers and homeowners.

Make no mistake about it: Concorde is in no sense a product of commercial (i.e. capitalist) enterprise. From start to finish it is a government project, and one of the 20th century's biggest boondoggles, at that. Conceived in a fit of nationalism by officials of state-owned British Aircraft Corporation (BAC) and Aerospatiale (SNIAS), Concorde was an attempt to recapture from American firms the lead in commercial aircraft sales. Under the terms of a British-French treaty signed in the early 1960's, taxpayers of the two countries were soaked for $3 billion in research and development costs over a 12-year period. The net result of this lengthy development time is a plane that embodies 1960's technology in 1976's market—in particular, very noisy, fuel-gulping turbojet engines; a tiny, cramped fuselage; and extremely marginal fuel capacity. (The Concorde is just barely able to make the westbound Paris-New York run for which it was designed; on its initial route from Bahrain to London, it can carry only 70 of its intended 100 passengers due to headwinds and hot weather takeoff conditions.)

Because the plane is such a marginal design, British and French taxpayers are being ripped off once again. State-owned British Airways and Air France (the Concorde's only purchasers) are receiving millions of dollars in operating subsidies so that they can hold the fare to 20 percent over normal first-class, while providing a variety of expensive frills (fancy stewardess uniforms, special buses for Concorde passengers, exclusive gate and baggage areas, etc.). Not only that, but in a so-far fruitless effort to obtain additional buyers, BAC and SNIAS are keeping the selling price of the Concorde at $100 million each, despite a production cost of about $156 million per plane (if all 16 of the current run are sold; so far only nine have been). Thus, the taxpayers will have to cough up close to a billion dollars to subsidize the plane's production, *on top of* the $3 billion already spent on R&D. If the R&D costs and production subsidy were included in the sales price, each of the 16 Concordes would retail for about $344 million (compared with about $21 million for a 747). And opposing this kind of boondoggle is equated with opposing technology!

Apart from its absurd economics, Concorde has been faulted for a number of other issues, many of them red herrings. Some wild charges were made that nitrous oxides from Concorde operations would partially destroy the ozone layer—a charge discounted by the World Meteorological Organization in January, at least for a fleet of 30 to 50 aircraft. In addition, physicist Hugh Ellsaesser of Lawrence Livermore Laboratory has pointed out that from 1957 to 1970 the large increase in military supersonic aircraft and missile flights did not harm the ozone layer (which actually *increased* during that period). Other environmentalists pointed out that Concorde burns two to three times as much fuel per seat mile as subsonic planes—a true but largely irrelevant charge (so long as the higher fuel cost is reflected in the fares, which it partially is). Some air traffic controllers raised safety objections, charging that Concorde's marginal fuel reserves may require special handling procedures in approach and landing patterns—a real possibility but not a crucial failing.

By far the most important environmental objection is the Concorde's noise levels. The sonic boom issue was resolved years ago by national bans on supersonic flight over most of the world's populated areas (which reduced Concorde's projected market from 400 to 45—a change which would have caused any private manufacturer to cancel the project). Today's noise problem concerns landings and takeoffs. With its 1960-era turbojets, a Concorde takeoff is twice as noisy as those of older 707's and DC-8's and up to six times as noisy as those of newer DC-10's and 747's. Thus, Concorde would impose its noise on large numbers of people who today are beyond the noise contours of the airports it serves, reducing the value of their property and leading to lawsuits demanding compensation.

Given all of the foregoing, what would libertarian principles suggest as appropriate public policy? There are two issues involved: noise and government subsidy. On the noise issue, each airport operator (i.e. owner, in a free society) ought to make the decision regarding Concorde service based on the costs involved in compensating affected neighbors. If the airport property extended beyond the maximum harmful noise contours, or if suitable agreements with all affected neighbors could be reached, service would be approved (and landing fees—not taxes—would be set high enough to cover the extra compensation costs). In the absence of such conditions, Concorde service is not permissible, however much some desire it.

The subsidy issue is more complicated. U.S. airline companies protest that it is unfair for them to compete against a plane that is built, purchased, and operated with foreign government subsidies, and therefore attracting passengers via significantly below-market fares. Although these same airlines receive U.S. government protection from competition on domestic routes and subsidized air traffic control service, they nonetheless have a point. A similar question arises in cases such as foreign steel or textiles produced with government subsidy for sale in competition with unsubsidized American products. In each case the product is produced at the expense of foreign taxpayers—in short, by means of forced labor. But does this coercion justify *U.S. government action* to prevent Americans from buying such "tainted" products? Clearly not. Ultimately, each individual must decide the morality of purchasing such goods and services.

The fate of the Concorde, then, should ultimately rest in the hands of airport neighbors. If the legal system requires the full costs of Concorde's noise impact to be paid by its operators, this technological white elephant is not likely to serve U.S. airports.—**ROBERT POOLE, JR.**

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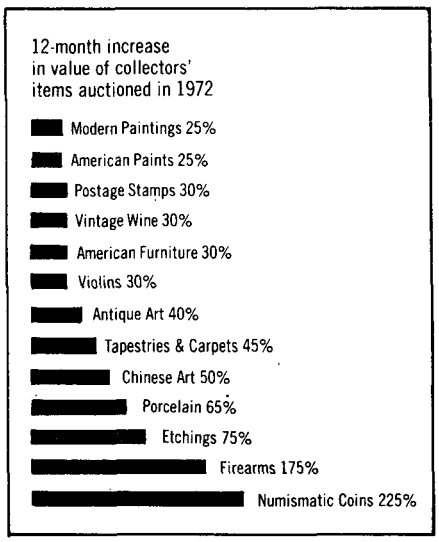


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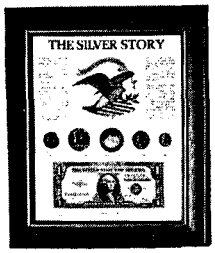


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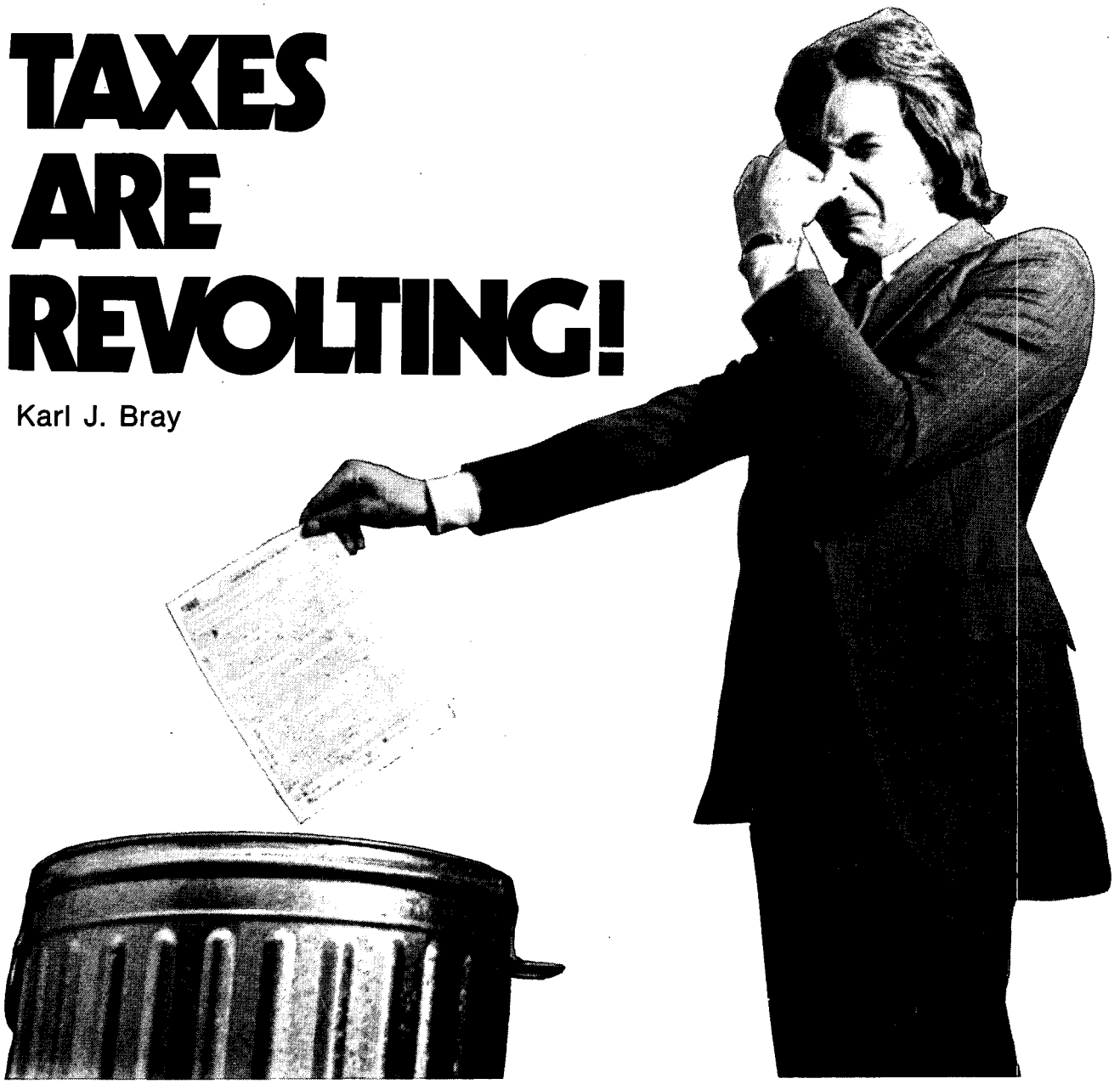

*The following is an introduction to tax revolt and includes some how-to information. In publishing it, REASON is not advocating that any of these tactics be pursued by specific individuals; nor is REASON proffering legal advice. For an analysis of the legal problems of tax resistance, see the related article in this issue by David Bergland. For a picture of the awesome power of the IRS, see the article by Robert Martin.*

Resentment of the inequitable nature of the U.S. tax system, and of the progressive income tax in particular, is increasing among every segment of the taxpaying population. In fact, it is rare these days to hear anyone say that he's happy to pay taxes. The hard evidence of this anti-tax-slave attitude was statistically expressed in late 1973 when a Harris Poll discovered that 74 percent of U.S. taxpayers "would support a tax revolt." If the accuracy of this poll were verified by other similar samplings, then certainly the tax-collecting bodies of this land ought to be living in fear of the day that Americans decide it's time for a repeat performance of the Boston Tea Party.

But what is the cause of this hostility? Why all this resentment of what the IRS describes as "the most efficient tax system in the world"? Perhaps it is the growing realization of a literate, productive citizenry that it is "paying the fiddler" to the tune of 42 percent of its average annual income in direct and

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*Karl Bray is a tax attorney, author, broadcast journalist, and active tax protester. He is the founder of T.R.I.M. (Tax Reform Informational Materials), a tax research and educational service (P.O. Box 2423, Orange, Ca. 92669).*

indirect taxes. Add to this the inflation bite of 10 to 15 percent per year and the virtual certainty that tax increases are looming on the horizon, and there is a credible explanation for the whole phenomenon. Doubtless, Americans are tired of working over half their productive lives in order to pay for their semibenevolent welfare state. In short, the tax system is *too* efficient.

To compound the serious nature of the problem—serious from governments' point of view—it seems that Americans are not the only residents of the earth adopting the attitude that there is "too much taxation and too much representation." Overburdened taxpayers the world over are beginning to act. In Denmark, for example, a place of cradle-to-grave welfare statism, it is reported that 16 percent of the taxpaying citizenry is following tax-reform leader Mogens Glistrup in refusing to pay income taxes. Clearly, at least 16 percent of the Danes feel that the price paid for their government security blanket is out of proportion to the real benefits.

## ESCALATING RESISTANCE

The September 17, 1973, issue of *U.S. News & World Report* states that:

> A tax-dodging spree, spreading rapidly, is costing the Government in Washington at least 6 billion dollars a year and threatening to get completely out of control. Tax experts outside the IRS . . . put the real losses as high as five times that much, around 30 billion a year.

This was shocking news in 1973, but today one simply has to purchase the latest edition of *Tax Strike News,* a monthly tabloid in the forefront of the tax battle, to discover that hundreds of organizations have been formed nationwide to help disseminate the "new religion" of the tax strikers. The size and scope of the movement to abolish taxes has grown to such an extent that virtually every Western State now has a "citizens posse" organized to apprehend and try tax collectors who abrogate the constitutional principle of due process.

Some adherents of lawful tax resistance identify themselves as followers of the early colonial tax protesters like Thomas Paine and Sam Adams, and there is a large and newly emerging segment in the movement which calls novelist/philosopher Ayn Rand its intellectual mentor. But in common they have been heard to tell IRS agents: "Go straight to hell, do not pass go, and do not collect $200."

There is little doubt that the movement is growing, and its leaders believe that the 16th amendment to the U.S. Constitution, which authorizes the income tax, will soon fall, as did the 18th amendment enacting Prohibition. It is historical fact that the 18th amendment was repealed because millions of Americans refused to comply and the enforcement machinery could not deal with this. We may even find that the same individualistic Americans who started drinking bootleg booze in order to thwart the revenuers will stop paying income taxes for the same reason.

## HOW TO STOP PAYING

Active resistance is made possible chiefly through loopholes, and the prospects of any serious action to close them are pretty slim: lobbies and loopholes are in the self-interest of entrepreneurial Congressmen, who are quick to take advantage of the status quo of taxation. And don't mistake cosmetic tax reform for substantive change. It is simply not in the self-interest of most legislators to drastically curtail their own tax advantages, so it is likely that the game will be played in the future much as it is now.

"Well," you ask "which loophole should I use?"

The favorite one, reportedly used by some 3½ million Americans at the present time, is the religious exemption whereby any religious leader, self-ordained or otherwise, may exempt himself and his household from Federal and State income taxes, property taxes, and sales taxes. Certificates of ordination can be purchased within the $1 to $10 range, and the first amendment and the courts have already told the IRS to keep its hands off. This approach also makes it possible to exempt oneself from social security using IRS Form 4029. The popularity of this loophole is growing by about 2,000 ministers per day—a great shot-in-the-arm for organized religion.

A lesser known but equally effective loophole, the "Equity Pure Trust," is available to the taxpayer who is willing to keep detailed records. It seems that this unique type of trust exempts one's estate from the ravages of inheritance, estate, and gift taxes and partially exempts it from the other big four taxes: income, social security, property, and sales. It is quite complicated, however, and its most loyal subscribers are those termed "the rich and the superrich."

Fortunately, there are two angles for the unreligious, the garden variety constitutionalist, and just plain protesters: the fifth amendment approach against self-incrimination and the lack of gold and silver income necessary to require the filing of a return.

## INVOKING THE CONSTITUTION

The fifth amendment approach is quite straightforward: the ex-taxpayer merely places the fifth amendment objection to self-incrimination in each blank space in the 1040 return where his answer to the question may tend to incriminate him. The U.S. Supreme Court and the appeals courts, in the Sullivan, Bishop, Miranda, Murdock, and other landmark cases, have upheld this approach, providing it is invoked properly. From that point on, Big Brother is responsible for proving a tax liability and initiating civil or criminal action. But a shrewd practitioner of tax avoidance will have covered his trail nicely.

And what does gold and silver have to do with tax

resistance? The Founding Fathers, in their infinite wisdom, wanted only gold and silver coin to circulate as legal tender, and all legislative activity to the contrary notwithstanding, the constitutionality of this approach has not been overturned. Therefore, anyone who has not made the requisite $750 income in gold and silver during a taxable year is not required to file a return. Since U.S. Federal Reserve Notes have not been redeemable in gold or silver since March 18, 1968, no one has gotten "income"—no real income, no taxable income.

Just to cinch things up a little tighter in favor of the overburdened taxpayer, it is necessary that the taxing agencies go to the courts for enforcement of the writs they use for inspecting and seizing records and assets. It is therefore difficult for them to prove a tax liability when they are refused the information needed to make an assessment. Some courts have already ruled that the mechanical tax tables cannot be used to prove a specific tax liability because citizens have the right to itemize their deductions. It is very hard for the IRS to prove whether or not money has been spent on deductible or nondeductible items.

In case anyone's worried about how to stop withholding of taxes from his paycheck, it's as simple as filing a W-4E Form each year or working for an employer on contract. And in case there are worries about what to do on April 15 each year, the tax protesters say it's as simple as saying "no" to the government-operated extortion racket; refuse to be coerced or intimidated. The legal way to do it, of course, is to refuse to waive any of one's constitutional protections; just take the fifth and demand that due process be observed. Also, it may help to tell the taxmen about being "innocent until proven guilty." The taxmen must be assured, however, that payment will be made in full when it's been proven by a jury that a specific tax is owed; that obviates criminal intent.

*A Harris Poll discovered that 74 percent of U.S. taxpayers "would support a tax revolt."*

None of the above loopholes and constitutional advantages would be necessary if the tax system were as voluntary as the IRS claims it is. Try not volunteering without knowledge of the individual's rights and privileges, however, and see what happens. Also, if the IRS really cared about protecting the rights of taxpayers, wouldn't it make sense for it to put the famous Miranda Warning on the 1040 Form? After all, every suspected criminal is told that he doesn't have to incriminate himself. Of course, the IRS is not foolish enough to warn citizens that the information put on the 1040 and other government forms may be used against them—people might get the idea that they have a choice in the matter.

## THE ANTITAX POLITICAL PARTY

To aid in the abolition of our revolting tax system, there is a new political party on the scene, the Libertarian Party. Libertarians identify taxation as theft and hold that it therefore ought to be outlawed. Their platform calls for legal challenges to the tax system, and their ranks are growing, in part, as a result of this stand.

The libertarians' view of taxation stems from their conclusion that the individual is the primary agent of economic transactions and ought to be free to spend what he earns as he prefers. Having thus precluded forced financing of government activities, they advocate a totally voluntary society in which the proper function of government would be only the protection of the life, liberty, and property of each from fraud and coercion. Each person would be free to purchase as much protection as he or she believes needed. Government services would have to compete in the marketplace for the consumer dollar, and government activity would occupy only that share of the market which reflected the choices of the consumers. And that would be the end of compulsory government financing.

## HOW TO GET THERE FROM HERE

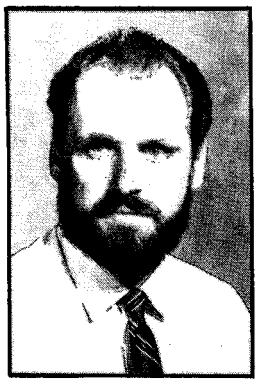
The current U.S. political system delegates unlimited taxing powers to the legislatures. This, coupled with the desire of the majority of the voting population to enrich itself from the public treasury, has nearly brought on national bankruptcy. The public monies are being spent faster than they are being collected, and the end of that downward spiral means disaster.

Will the recipients of public monies stop voting for the politicians who give them the goodies? It is not likely. So, it seems that a situation of "irreconcilable differences" is developing between tax producers and tax consumers, a truly revolting situation. And if this is true, as mounting evidence suggests, then perhaps the natural tendency to revolt is the cure.

Revolts have traditionally trimmed the irritating factors from the political system and allowed the body politic a system permitting greater personal and economic liberty. At least this was true of the American Revolution. We may be fortunate enough to repeat our own history and come up with an improved political ideology that will remedy the defects of our currently failing society.

Perhaps the tax protesters are standard bearers of ideas that will end the something-for-nothing syndrome in the United States. If successful, they will be ultimately responsible for putting thousands of tax collectors to work in the private sector doing a full and honest day's work. ◻

# The René Baxter Letter



## Stop Paying Taxes, LEGALLY !

The Rene Baxter Letter, an internationally read economic newsletter, has just published a three-part series on the tax revolt movement that's growing like wildfire in America. Over the years, the leaders in the fight to restore our constitutional liberties have discovered and perfected several safe, legal ways to stop supporting the welfare state, and stop paying for our own destruction.

Two of these methods were covered in great detail, including a step-by-step strategy to allow subscribers to personally stop supporting socialism — safely and legally!

Now, I have reprinted all three issues (which normally cost $3 each) in one comprehensive booklet. You can get it, postpaid, for only $2. It will save you thousands of dollars each year, besides helping to restore your constitutional rights.

There are now over six million tax resistors in this country; and we will double our numbers by July 4th, 1976! We are Sovereign Citizens. This nation belongs to us, not to the thieving, corrupt bureaucrats we've got "working for us" in Washington today. We're going to get our freedom back!

Won't you join us? At least find out what the fight's all about. Fill out the attached book order form, attach your check for $2 and mail it in the return envelope provided.

Do it right now — if you put it off it will cost you thousands THIS YEAR ALONE.

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BOOK ORDER FORM

( ) Yes. Please rush me a copy of TAX REVOLT, by Rene Baxter. My check for $2 is enclosed (make payable to Rene Baxter).

( ) Please put my name on your mailing list to receive more information about the tax revolution in America.

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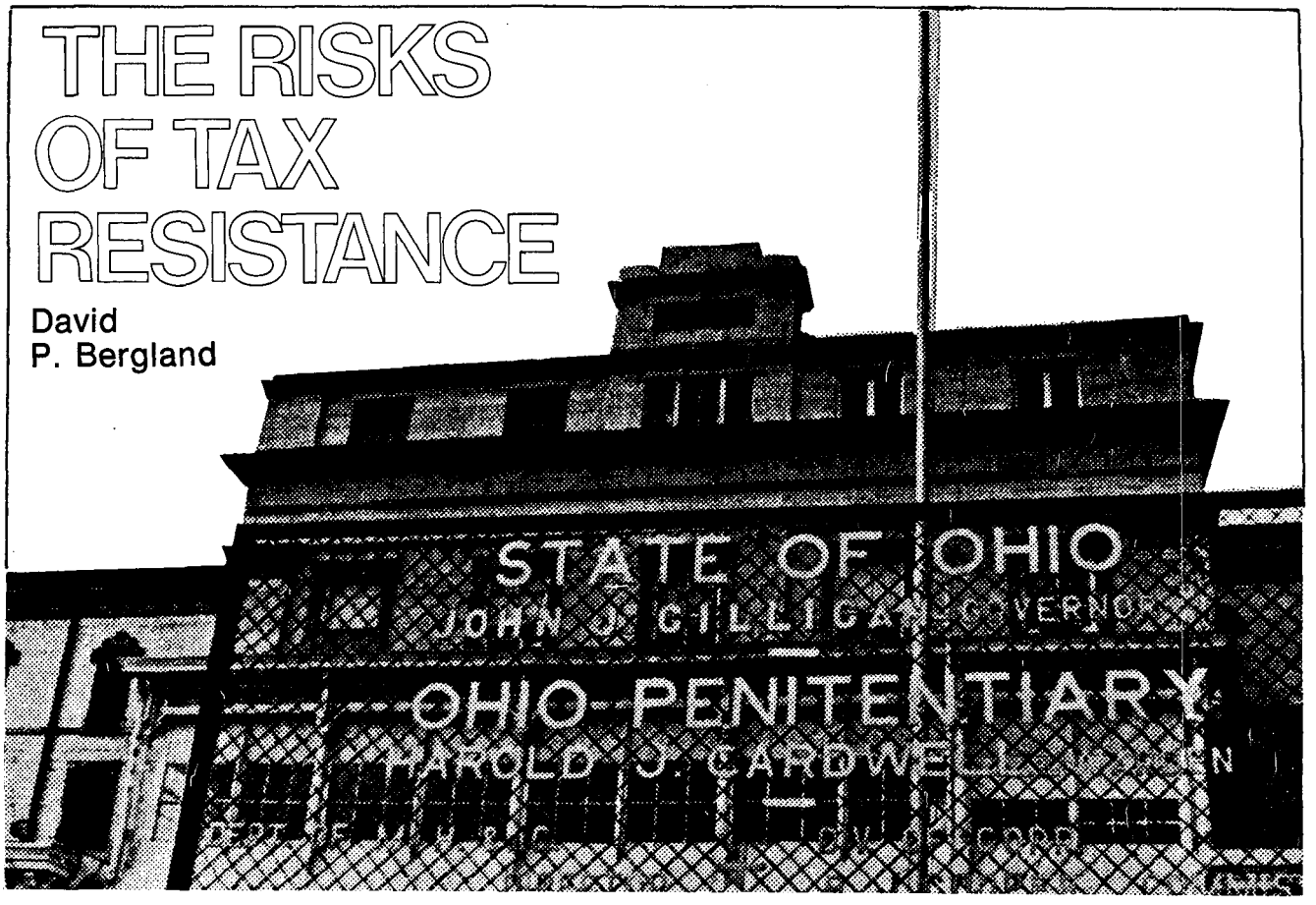
# THE RISKS OF TAX RESISTANCE

David
P. Bergland




*My close friend, Karl Bray, is in jail.*

*Not many persons come to mind that are Karl's equal in publicizing the evils of the tax system and encouraging people to take action to oppose it. That, in my view, is why Karl is where he is today. Federal court judges, acting as self-appointed protectors of "the system," think it is necessary to give articulate tax resisters the full sentence provided by the law. Whereas a mere murderer or kidnapper might be given probation, a man like Karl must be incarcerated for as long as possible in order to shut him up. He is much more dangerous to the system than a thousand murderers or rapists. (The Feds have made a mistake with Karl, however—he is using his time in jail to study, organize, and produce more books and articles than ever before.)*

*Karl has a long history of considerable effort to educate the public to the realities of the tax system in the United States and, in particular, to the police-state tactics of Internal Revenue Service and other government agents involved in enforcing the tax laws. Despite the protection of the first amendment, Karl was first convicted for possession of a copy of an IRS seizure sticker. This was a misdemeanor with a maximum sentence of six months. He got the maximum sentence. Karl was subsequently convicted of two counts of failure to file income-tax returns. The maximum sentence on those counts is two years. Karl received the maximum sentence on each count. U.S. District Court Judge Willis Ritter, who presided over Karl's jury trial on the failure to file charges, ordered that the sentences be served consecutively rather than concurrently.*

*The purpose of this article is to examine certain avenues of tax resistance and avoidance popularized by people such as Karl Bray, to examine what can be accomplished by such approaches and to assess the risks involved. Karl's present circumstances underscore the timeliness of such an assessment.*

*David P. Bergland is an attorney in private practice in Newport Beach, California. He received his law degree from the University of Southern California where he was Editor-in-Chief of the* Southern California Law Review. *Bergland's article "Low Profile Tax Resistance" appeared in REASON's June 1975 issue. Last September Bergland was selected as the 1976 vice presidential candidate of the Libertarian Party.*

For purposes of analysis I divide the various forms of tax resistance into three categories. The first, "radical tax resistance," involves high-visibility tactics designed to publicize the evils of the tax system and thereby undermine it. Radical tax resistance falls into the general category of civil disobedience. The second category I will refer to as "sneaky tax resistance," which involves various devices that are illegal but keep one's money away from the tax collectors. The third category, "low-profile tax resistance," involves using the tax laws legally in order to minimize the tax burden as much as possible at relatively low risk.

Any analysis of the tax system and any recommen-

dations for tax avoidance must take into consideration the fact that the government has two basic powers in the tax area. It first has the power to lay and collect taxes. The exercise of this power is characterized as a "civil" matter. The government is also empowered to impose criminal penalties for certain conduct which relates to collection of the revenue. The exercise of this power is characterized as a "criminal" matter. The government is never limited to only one of these sets of weapons, and it should be obvious that it will use the full range of its arsenal of tools in order to be effective. Unfortunately, many tax resistance advocates fail to deal adequately with this fundamental fact of legal reality.

In Karl Bray's related article, "Taxes Are Revolting," he refers to a number of loopholes being used by tax resisters. ("Loophole" has a negative connotation. It should not. A loophole is a perfectly legal provision of which the speaker does not approve. A true collectivist would say that any provision that allows an individual to keep any of his property is a "loophole.") I can say without equivocation that I would like to see every taxpayer in this country use every loophole he can to reduce the take of the bureaucrats. But, because of the complexities of the tax laws, I think it is important that everyone who is considering the use of some tax loophole be more fully apprised of the limitations of the various devices and the risks attendant to their use.

## HIGH-RISK RESISTANCE

Let us first take up the "fifth amendment" strategy and the "money" device. These are issues raised almost exclusively in the context of defending oneself against criminal charges of willful failure to file tax returns.

One does not raise these defenses *after* being charged with the crime, however. These are classic examples of what I've referred to as radical tax resistance. The tax resister actually prepares and files a Form 1040 that raises either the fifth amendment defense or the money defense on its face. So, right at the outset the tax resister throws down the gauntlet to the government. Either he is saying, "I will give you no information because I am not required to incriminate myself under the fifth amendment," or he is saying, "I did not receive any gold or silver money, therefore I received no lawful money, therefore I had no income, therefore I have no tax liability."

Of the two approaches, the money defense seems to be slightly more successful against the criminal charge. The government must prove willful failure to file. "Willfulness" is the crux. The position of the tax resister who raises the money defense is: "I have filed; I am not trying to hide anything; I would be happy to pay my tax, but I received no lawful money of the United States and therefore have no way of knowing what tax I should pay."

The fifth amendment defense, however, has not served its adherents very well. Karl Bray was convicted in spite of this strategy. Perhaps even more notable was the conviction of Marvin Cooley, author of *The Big Bluff.* In upholding his conviction, the Ninth Circuit Court of Appeals observed that Cooley's sophistication in the law—evidenced by the documents he had filed with the IRS, handling his own defense, and raising the fifth amendment—demonstrated that he knew exactly what he was doing and, therefore, had indeed willfully failed to file.

Assuming that one could effectively avoid a *criminal* conviction by either a fifth amendment defense or the money defense, one must still never forget that the Feds, as well as the state taxing authorities, have their civil tax collection tools. The tax system in America is based on a process of self-assessment. (This is what is really meant when taxation is said to be "voluntary.") The tax laws put the burden on the taxpayer to keep records, prepare tax returns, and hand over the tax to the collector.

## CATCH-22

If the taxpayer fails to perform, the government is empowered to construct a return for him based on what it can find out (Internal Revenue Code § 6020). What can be found out depends upon investigations into the citizen's net worth, style of living, bank account, employment records, etc. Thus, if the taxpayer refuses to help in making the assessment, the government merrily constructs a return for him *and that becomes the taxpayer's return.* Under the tax law it is presumed to be accurate, which means that the burden is now on the taxpayer to come forward with evidence to prove that it is wrong. To successfully meet this burden, one would have to jettison his fifth amendment claim.

*If the taxpayer refuses to help in making the assessment, the government merrily constructs a return for him.*

The presumption in favor of the validity of the government-constructed return also undercuts the effectiveness of the money defense, since this device hinges on the question of lawful money and therefore "income." The government simply does not care about the legality of its money when it is exacting tribute. "Income" is defined in § 61 of the Internal Revenue Code. The regulations in that section state in part:

> *General definition.* Gross income means all income from whatever source derived, unless excluded by law. Gross income includes income

realized in any form, whether in money, property, or services. Income may be realized, therefore, in the form of services, meals, accommodations, stock, or other property, as well as in cash. Section 61 lists the more common items of gross income for purposes of illustration. For purposes of further illustration, § 1.61-14 mentions several miscellaneous items of gross income not listed specifically in section 61. Gross income, however, is not limited to the items so enumerated.

The litigated cases involving issues of what is or is not "income" would fill a library.

Suffice it to say that the fifth amendment defense and the money defense are no barrier at all to the government's power to say what someone's income is, tax it all accordingly, and levy on his assets to satisfy the tax liability. This is not considered to be any violation of due process rights or rights against self-incrimination—this is merely a "civil" matter, not a "criminal" matter.

*The government simply does not care about the legality of its money when it is exacting tribute.*

As if this were not enough, the IRS also has at its disposal the "jeopardy assessment" procedure (Internal Revenue Code §§6851,6861). This allows the local IRS Director to arbitrarily determine that the collection of the tax is in jeopardy, immediately terminate the taxpayer's tax year, make an assessment of the tax owed, and levy on the taxpayer's assets. Employment of this device has been held not to violate due process. It has the interesting effect of depriving the taxpayer of all his property, which in turn makes it impossible for him to hire a lawyer to challenge the action or bring a suit for refund.

It appears that the only people who can really afford to employ the radical tax resistance devices are those who have nothing to lose anyway or who have wealthy and benevolent friends and relatives who will support them after the IRS has taken all their assets by "civil" tax collection procedures. Many people think that it is worth it, and adopt it as their particular form of civil disobedience to publicize the evils of taxation in general, and the Internal Revenue Service in particular. This is a judgment each person has to make for himself.

*By definition, sneaky tax resistance is illegal, and this approach is not recommended.*

## LEAVING WELL ENOUGH ALONE

"Sneaky" tax resistance devices can of course result in very high immediate gains, but they are also extremely risky. An obvious (and illegal) way to avoid taxes is to simply not report one's income—not file income tax returns. This is much easier for those who are self-employed than for those who have employers who withhold tax.

The *Wall Street Journal* of January 7, 1976, contained a report of a 74-year-old man who had not filed tax returns for 31 years. It took the IRS that long to catch up with him, even though he had been employed for some years during that period, and his employers had filed the appropriate forms with the government, which should have been thus alerted to the fact that the man was failing to file. At long last he was discovered and convicted of willful failure to file. He was sentenced to only one year in jail, probably due to his advanced age.

By definition, sneaky tax resistance is illegal, and if caught at it one will probably be convicted. This approach is not recommended, simply because there are alternatives which result in minimal taxation with little or no risk of criminal prosecution.

Use of IRS Forms W-4 and W-4E can be either legal or illegal, depending on the circumstances. These are the forms that an employee must fill out so that the employer can withhold income tax from the employee's paycheck.

The W-4 is what most employees use. Some tax avoiders have attempted to use the W-4 to reduce their withholding by misstating the number of dependents. For instance, the taxpayer indicates that he has ten children when in fact he only has three. This constitutes a crime under the Internal Revenue Code, and quite a number of people who have attempted this trick have spent some hard time in the cooler.

It is possible to use the W-4 legally and intelligently to minimize withholding. A taxpayer is allowed to estimate his itemized deductions for the coming year and adjust the number of exemptions claimed on his W-4, thus reducing the amount withheld for taxes. So long as there is some reasonable basis for the estimate, there should be no risk of criminal prosecution. The nice result is that the paycheck is larger and there is no need to ask for a refund the following April. This also keeps money out of the hands of the bureaucrats (who use it without paying interest) for that period.

The W-4E is another proposition entirely. When this form is used by the employee it results in no income tax withholding. To use the form, however,

the employee must sign a sworn statement that he had no tax liability in the preceding year and expects to have no liability in the current tax year. The main purpose of the W-4E is to accommodate students who work a few weeks during summer vacations. Without it they would have large amounts withheld from their paychecks, only to be returned as tax refunds the following year. If a person uses the W-4E but in fact did have a tax liability the previous year and has tax liability during the current year, he is making a false statement; that is a crime and he can go to jail for it.

## AN OVERRATED STRATEGY

One tax avoidance program that seems to have generated a considerable amount of interest in 1974 and the early part of 1975 is the "equity trust." This device was touted by its promoters as the perfect vehicle for the high-earnings professional to avoid all taxes and hide all of his assets from creditors (and, by the way, eliminate the necessity of carrying malpractice insurance). Much of what the promoters were saying is bunk.

Trusts have been used for years as a tax-saving device. One common way is for a parent to create a trust for his children, putting some income-producing assets like bonds or apartment buildings into the trust for the benefit of the children. The tax savings comes about because the income is "split" between the high-income producing parent and the non-income-producing child, putting them both in a lower tax bracket. As for eliminating taxation altogether, that just could never happen. Assume, for example, that we are talking about a physician, his wife, and their three children. A trust is created into which all their property is put, including the right to the doctor's services. Patients seeking medical service actually deal with the trust, which now has control over the doctor's services. Under the law, each one of the human beings involved, *and the trust,* is a taxpaying entity. So long as income is produced and not offset by legitimate business expenses, that income is going to be taxed. The tax may be reduced by splitting it among the family members, but complete avoidance —never.

Quite a number of people attempted the equity trust device, and the attention of the IRS was naturally attracted. The result was a comprehensive set of Revenue Rulings issued during 1975 by the IRS, specifically dealing with this device and making it totally worthless as a tax shelter. Further, the attorney general of Colorado obtained an injunction against the purveyors of these packages in Colorado. It is my understanding that attorneys general in other states are also on the lookout to stamp out this particular device.

One of the tragedies in this area is that the promoters of trust devices sold them to taxpayers (in exchange for substantial fees), apparently without disclosing the hostility of the IRS and the local attorneys general. Anyone who went into this particular program was sure to be audited by the IRS, which takes the position that the equity trust device is invalid. Failure of the promoters to disclose this very material information to potential investors is a clear case of fraud. Unfortunately, promoters of tax resistance packages, in general, tend to minimize the risk of IRS scrutiny. *Caveat Emptor.*

## CUTTING THE TAX BITE

This brings home very graphically the issue of "alternatives foregone." If a person is interested primarily in reducing his tax burden with minimal risk, then one very important question to ask is, if the tax avoidance program I have adopted is successfully attacked by the IRS and invalidated by the courts, what will be the ultimate tax consequences? Further, might there be some alternative tax avoidance approach which, although it may not give me quite as much now, is less likely to be attacked by the IRS, and if it is attacked, is more likely to be upheld as valid? Although it may be philosophically abhorrent to some, many people would like to find a way to give Caesar a miniscule amount of the tribute demanded, in such a way that it is very unlikely that more will be requested—as opposed to noisily refusing to give him anything and having him take away everything.

*Unfortunately, promoters of tax resistance packages, in general, tend to minimize the risk of IRS scrutiny.*

Does anyone remember Joan Baez? During the Vietnam War she loudly publicized the fact that she refused to pay her income tax because a substantial portion of it went to support the war. What she did not publicize was that she always maintained sufficient funds in her bank account for the IRS to seize and satisfy her tax liability. Under the Internal Revenue Code, when the tax is ultimately collected in this manner the IRS imposes interest and penalties for late payment. The government thus winds up with more in its coffers than if the tax had been paid promptly.

Finally, there is religion. I believe that it provides a legitimate vehicle for libertarians and others to improve the world and concurrently reduce the bureaucratic theft of their productivity. In this brief article, it is impossible to discuss the more important aspects of religious endeavor, and the comments that follow relate only to tax matters.

Those who want to become church activists have two very substantial allies. On the one hand there is the first amendment, which establishes the principle of separation of church and state. It is the first amendment that results in what is basically a "hands-

off" attitude on the part of Congress and the IRS toward the taxation of church activities. The other major ally is the strength of organized religion. Churches obtain their support primarily from charitable contributions, for which taxpayers get a deduction. If our outrageous income tax system is overhauled, the charitable deduction will probably be one of the last things to go, simply because of the great pressure that would be brought to bear by churches and other charitable institutions to retain it.

## CASTING OUT THE MONEYCHANGERS

It is possible for anyone to set up his own church. But it is important to understand that to set up a church really means to set up a church. Anyone who thinks that all he has to do is say, "I hereby set up a church and donate 50 percent of my income to it," will be in for some unpleasant surprises. The church may not conduct activities that are primarily for the benefit of any individual, including the person who created it.

To create a valid church one must do the things that churches traditionally do, i.e., conduct services, perform marriages, do charitable works, publish sermons, have a creed, etc. For people who are of a philosophical bent and are interested in promulgating certain views as to how to improve the world, a church is an ideal vehicle. But one must go into it with commitment and do it right if one expects to withstand the scrutiny of a hostile IRS agent. The growing popularity of church activity is already of concern to the IRS. Anyone who views the church as merely a way to avoid tax should consider some other device as more appropriate.

*The tax laws are fraught with risk—for everyone, not just tax resisters.*

One supposed tax benefit for church activity is avoidance of the self-employment (social security) tax by use of IRS Form 4029. Under the present state of the law, this benefit is only available to the Amish. Form 4029 derives from § 1402(h) of the Internal Revenue Code, which was adopted to accommodate the Amish, who have religious convictions against insurance (e.g., social security). To be exempt, one must apply with Form 4029—but, it says:

> . . . You may apply for exemption from payment of self-employment tax if you are a member of a recognized religious sect or division, and as a follower of that sect's established teachings, you are conscientiously opposed to accepting benefits of any private or public insurance payments in the event of death, disability, old-age, or retirement, or payments towards the cost of, or to provide services for, medical care (including benefits of any insurance system established by the Social Security Act). Before you are granted an exemption, the Secretary of Health, Education, and Welfare must determine that—(1) the sect or division has the established teachings referred to in the preceding sentence, (2) it is the practice, and has been for a period of time which he deems substantial, for members of this sect or division to provide for its dependent members in a manner he deems reasonable in view of the general level of living, and (3) the sect or division has existed at all times since December 31, 1950.

There are other limitations as well.

It appears to me that the equal protection provisions of the U.S. Constitution are thus violated because special treatment is given to religious sects in existence before 1950, to the exclusion of younger sects. No constitutional challenge has yet been made, however. Suffice it to say that, unless the above criteria are met, application for exemption will be disapproved and redress will have to be sought in the courts at one's own expense.

## SENSIBLE SELF-PROTECTION

The tax laws are fraught with risk—for everyone, not just tax resisters.

Under our system of laws, it would be constitutional for Congress to tax 100 percent of everyone's income. The only reason Congress doesn't is that "our representatives" know the revolution would start the day they tried it. Thus, they will steal whatever they think the citizens are willing to forgo. It follows that without any self-protection, chances are that an individual's tax burden will be fairly high. On the other hand, to actually produce income and refuse to pay any tax is to run the high risk of winding up in jail and having all one's property confiscated by the government. Somewhere in between each person has to decide for himself how much he can gain by tax avoidance procedures in light of the risk of IRS attack.

Unfortunately for most people, there is no way to adequately assess the appropriateness of any particular tax avoidance procedure or the risks attendant to it without the help of tax experts such as lawyers and accountants. No matter how appealing a particular approach might appear in an article or a book, it is impossible to say that it would be appropriate for a particular person in particular circumstances. The one piece of advice that holds true for everyone is: unless confident of your own ability as a trained tax expert, you are looking for big trouble if you undertake a tax avoidance program without some assistance from a professional.

# THE INTERNAL REVENUE NARCS

Robert
B. Martin Jr.

The curious failure of criminals to pay income taxes on revenue gained from their activities has been used by the Federal government for years to assist local police in their pursuit of criminals. In the last 20 years, the Internal Revenue Service has brought tax evasion actions in cases involving extortion, forgery, counterfeiting, bookmaking, theft, kidnapping, prostitution, and once against a practicing gypsy palmist who contended that the money was an offering to offended spirits, rather than income to herself.

The main weapon of the IRS against such crimes has been the criminal penalties in the Internal Revenue Code, which can be imposed on those who willfully attempt to evade or defeat taxes. These penalties are subject to the usual constitutional rules requiring that an accused be proven guilty of something before being deprived of liberty or property.

In addition to the criminal penalties, however, the IRS has available to it a little-known procedure known as spontaneous assessments, described recently by a senior U.S. judge as a weapon having "atomic potentialities in the arsenal of the tax gatherer." This procedure permits the IRS to assert that a citizen has received income, assess tax on it, and immediately seize and sell all of his property in payment of the tax. This can be done without any evidence other than a belief by any of the 58 IRS District Directors that collection of the tax thought to be due might be in jeopardy.

Because of the severity of spontaneous assessments, it had been longstanding IRS policy to use them sparingly. As recently as January 1972, the Director of the Collection Division of the IRS stressed that such assessments are made in only the most extreme situations. And, although available records are scanty, there appear to have been only 279 in fiscal 1966.

## ARMING THE IRS

The availability of an "atomic" weapon did not go unnoticed, however, by the administration which brought us Watergate, enemies' lists, and abuse of the IRS. On June 17, 1971, President Nixon announced an expanded effort to combat drug abuse in a message which included a little-noticed project to conduct tax investigations of middle and upper

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echelon narcotic traffickers, making maximum use of spontaneous assessments. This project, referred to variously by the IRS as the "Narcotics Trafficker Program," or the "IRS Narcotics Project," continues at this date.

The size of the Narcotics Project is only recently beginning to surface. From June 1971 through June 1974, the IRS had made spontaneous assessments in 3,920 cases, total assessments under the project had reached $218.1 million, and collections had totaled $34.5 million. The program is continuing at a rate of around 1,400 cases a year.

Spontaneous assessments are authorized in two parts of the Internal Revenue Code under a subchapter titled "Jeopardy." The first part, "Termination of Taxable Year," permits the IRS to declare anyone's taxable year immediately terminated and to demand immediate payment of the tax for that period. The only requirement for a termination (as the IRS calls it) is that the IRS must find that a taxpayer intends to act in a way tending to prejudice proceedings to collect the tax. This finding, which can be made by any District Director, is not subject to court review as to whether there is any basis for it or whether the amount assessed has any relationship to anything. As a result, the Service typically computes the greatest liability possible and assesses a 25-percent penalty authorized by another section of the Code. The total amount assessed has, as a result, been six times higher than the amount actually collected.

*The IRS spontaneous assessments procedure was recently described as a weapon having "atomic potentialities in the arsenal of the tax gatherer."*

The second part of the subchapter in question is titled "Jeopardy Assessments." Under this part, the IRS may immediately assess a deficiency in tax and demand its payment if it believes that the assessment or collection of the deficiency will be jeopardized by delay. Again, this belief may be entertained by any District Director, and neither its basis nor the amount assessed is subject to judicial review.

## IRS MANEUVERS

An IRS demand that tax be immediately paid is supported by an armory of collection procedures. After the tax has been assessed, it is a lien in favor of the government on all property of the taxpayer. The IRS can then seize any and sell all of the taxpayer's property in payment of the assessment.

In the case of a jeopardy assessment, a person can do only two things to get his property immediately returned. First, he can ask the District Director to change his mind. Second, he is permitted to post a bond, a procedure the courts have described as a "mockery" because virtually no bonding company will provide a bond without security, and no security is available if all of the taxpayer's assets have been seized. In the case of a termination, the IRS contends that the taxpayer can do neither of these things, and over 90 percent of spontaneous assessments have been called terminations by the IRS.

If the taxpayer decides to go to court, he must contend with an 1867 law under which suits to restrain the assessment or collection of any tax are absolutely prohibited. This prohibition has been interpreted by the Supreme Court to mean that a person *is* entitled to an injunction against the IRS only if he can prove that collection of the tax would cause him irreparable injury *and* that under no circumstances could the government eventually win. The latter point is usually impossible to prove.

Despite the general unavailability of court relief, the unprecedented number of spontaneous assessments has produced an unprecedented number of court cases against the IRS. As of December 1974, there were at least 70 Federal court cases pending, and there have been at least 20 reported decisions. These decisions, although representing only a fraction of the cases, give some indication of IRS tactics and the targets of the project.

*A person is entitled to an injunction against the IRS only if he can prove that under no circumstances could the government eventually win.*

## TACTICS REVEALED

Consider, for example, the case of Sharon Willits. In April 1973, a car in which she and a friend were riding was stopped by officers of the Miami Police Department. The friend had been under surveillance by the police for approximately five months because *he* was suspected of dealing in narcotics. Neither she nor her friend was arrested, but her license was examined.

Six weeks later Ms. Willits realized that she was being followed by an unmarked car. She pulled to the curb momentarily to let it pass, but it pulled in behind her. No one emerged from the car, and she pulled away. Again the car followed and then pulled up beside her. Two men dressed in casual clothes with full beards and long, frizzled hair tied in pony tails waved police badges. One was the same officer who had stopped her earlier.

Ms. Willits refused to give the strange-looking officers her current address and was arrested for speeding. She was not taken to the traffic section of the police department, however, but to the narcotics section (The officers had not been assigned to traffic.) A search of her purse revealed two vials containing a few barbiturates that had been pur-

chased under a prescription from her doctor, a pistol, some cash, a gold coin, and items of jewelry. She was charged with speeding, carrying a concealed weapon, and possession of narcotic drugs and was released on bond.

The next day the Miami Police informed the IRS of the arrest and the materials taken from her. The IRS promptly computed that she had earned $60,000 on sales of $240,000 worth of *cocaine* during the first five months of 1973. That afternoon her taxable year was terminated, and she received a notice demanding payment of $25,549. The money and jewelry held by the police were seized by the IRS.

The state charges against Sharon Willits were dismissed in December 1973. Earlier, she had brought an action to enjoin the IRS from collecting its assessment and to return her property. No evidence was ever produced that Ms. Willits had at any time had any dealings in cocaine, nor was she ever charged with such a crime. Nevertheless, the Federal court, holding that she had failed to show that there was no way the government could win, dismissed her suit.

The court of appeals in New Orleans reversed the decision in July 1974. It described the evidence as scanty and largely inaccurate and said that the courts cannot allow the IRS to use jeopardy procedures as summary punishment to supplement regular criminal procedures.

*In nearly every case the courts have turned their heads at this wholesale invasion of individuals' rights.*

### A "TRIGGER-HAPPY" IRS

Another instructive case is that of Roberto Flores Aguilar, a Mexican national who owns a trucking business in Mexico and has never done any business in the United States. In July 1972, two of his employees were sent with $11,270 in cash to San Antonio to buy trucking parts for his business, but they had to turn back because of engine trouble. The truck was stopped in the border town of Laredo for a "title check," and the cash was discovered in a search of the driver's compartment. The police seized the truck and the two employees trekked back to Mexico on foot.

Six days later, the IRS terminated Mr. Aguilar's taxable year on the basis that he was suspected of trafficking in narcotics. This was surprising to Mr. Aguilar, who didn't even know that he had a U.S. taxable year. Even more surprising was the tax bill of $12,774. Unable to pay promptly, his cash was seized, and the truck was sold for $750. The basis for "calculating" the tax due was never disclosed, although it was unusually close to the total value of the seized cash and truck.

Unsatisfied with his encounter with American justice, Mr. Aguilar brought suit to get his money back. The district court thought that he did not show that under no circumstances could the government win, so it dismissed the suit. The same court of appeals which considered Ms. Willits' case overruled the decision of the district court on this point.

The cases of Sharon Willits and Roberto Aguilar are unique—they both got some relief from the court of appeals. In nearly every other case the courts have turned their heads at this wholesale invasion of individuals' rights.

### THE COURTS: IRS BACKUP SUPPORT

A good example of a more typical court response is the case of Sterling and Elizabeth Hall of Kentucky. Sterling was arrested in Brownsville, Texas, where he was convicted and sentenced for trafficking in marijuana. After he had been locked in prison, the Kentucky State Police searched Elizabeth Hall's home and found a miniscule quantity of marijuana that apparently had been left by her husband. The next day, February 1, 1973, *her* taxable year was terminated and she was presented with a bill for taxes in the amount of $52,680.25 for the *one-month* period of January 1 to January 31, 1973! Since she was unable to pay the tax, the IRS seized her Volkswagen and bank account.

*The seizure of money and property on the mere suspicion of crime seems obviously unconstitutional.*

The district court enjoined the sale of the car because the IRS had not sent her a form letter called a deficiency notice within 60 days of assessment, as required by the jeopardy assessment procedure. The IRS contended it didn't have to send one because this case was a *termination.* The court of appeals agreed with the district court, and the government appealed to the Supreme Court, which upheld the ruling of the two lower courts. This minor victory for Mrs. Hall still didn't get her property back, and the IRS can continue to try to collect the tax assessed if it sends her the right form.

Prior to the recent Supreme Court decision for Mrs. Hall, the IRS position that it need not send the deficiency notice had been sustained by several courts. In the case of David Boyd of Pennsylvania, the IRS terminated his taxable year and assessed nearly $14,000 in taxes after his arrest in Philadelphia in October 1972. Despite the fact that in December he was found *not guilty* of the charges for which he had been arrested, the IRS confiscated $5,751. The Philadelphia District Court refused to enjoin the IRS or require it to issue a deficiency notice.

## A WAR ON CRIME?

It is not unusual that criminal charges were not sustained in the cases described. In many of the reported cases, the taxpayer has either not been charged with narcotics trafficking, or the charges have been dismissed. In the case of James C. Johnson, arrested in Mobile, Alabama, for possession of marijuana, the charges were dropped, but the IRS assessed taxes of over $10,000. Charges of reckless driving and possession of dangerous drugs (physician's samples) against Charles R. Rambo of Kentucky were also dropped, but the IRS assessed taxes of over $28,000 for a 4-month period. In neither case was the seized money or property returned.

In defense of these procedures, the IRS has claimed that it is only after the "top people" involved in narcotics traffic, not the pusher on the street. Nevertheless, the IRS assessed taxes of over $11,000 against an elderly black woman who had not worked since 1961 and seized all of her assets. Another case in Las Vegas involved a 65-year-old illiterate black man whose social security funds were seized. If these are the top people in narcotics traffic, they are certainly well disguised.

The seizure of money and property on the mere suspicion of crime seems obviously unconstitutional. Nevertheless, the constitutionality of spontaneous assessments was upheld by the Supreme Court in 1931 in a case involving taxes assessed against a shareholder of a dissolved corporation (taxes which should have been paid by the corporation). The basis of the decision was that the governmental necessity for money justified its being taken first. The Court argued that the public is adequately protected by the individual's right to bring a refund suit. "Property rights," said the noted liberal, Mr. Justice Brandeis, "must yield provisionally to governmental need. . . . Where only property rights are involved, mere postponement of the judicial enquiry is not a denial of due process."

*The government is spending more on the Narcotics Project that it is taking in.*

## DISARMING THE IRS CASE

Governmental necessity and the adequacy of the legal remedy of a refund suit are the same two reasons for which the law prohibiting suits to enjoin the collection of taxes has been upheld since 1870. At that time, all taxes were collected under procedures which did not allow a prior court challenge. This approach was repudiated by Congress in 1924 with the establishment of the Board of Tax Appeals, the predecessor of the Tax Court. In this court, a taxpayer is permitted to contest his liabilities prior to payment, and virtually all of the $273.6 billion of estimated collections for the 1974 fiscal year were collected under procedures allowing for this possibility. The last 50 years of experience in collecting taxes shows clearly that the system does not break down if people are permitted to challenge the government before they pay taxes.

The argument from government necessity assumes that the purpose of the allegedly necessary procedures is to collect money. In the case of the IRS Narcotics Project, however, the stated purpose is to supplement enforcement of drug laws. The $34.5 million collected in the first three years of the project is less than one ten-thousandth of one percent of the Federal revenues collected in the same period. It is therefore hard to accept the argument that the government really needs the money.

The argument becomes even shakier when it is realized that the government is spending more on the Narcotics Project than it is taking in. During its first three years, the IRS spent $51.2 million to collect $34.5 million, a *deficit* of nearly $17 million. These figures do not include court time or the lost revenue resulting from the diversion of personnel to this program. In testimony before Congress in March 1974, IRS Commissioner Alexander said the IRS had to turn back over 2,500 ordinary tax cases in fiscal 1972 and 1973 which it couldn't handle because of the diversion of personnel to the Narcotics Program. This diversion of personnel through July 1974, amounted to 2,249 man-years of time.

Even assuming that the government *really* does need the money, the Narcotics Program cannot be justified. Most scholars would conclude that, under the Constitution, the government cannot decide to fine everyone charged with crime before conviction simply because it needs the money. By the same token, governmental need should not justify assessment and seizure against persons who are not charged with any crime at all.

## OBSTACLES TO RESISTANCE

The adequacy of a refund suit as a legal remedy is another example of judicial sloganizing which has nothing to do with reality. Those considering a refund suit in Federal court have first to contend with "Catch 22," a 1960 Supreme Court ruling that requires payment of the entire amount assessed before a suit can be brought. Since IRS Narcotics Project assessments average six times higher than the combined total of the taxpayer's assets, it is unusual for a taxpayer to have the funds to pay the tax in full.

Even if this problem is somehow overcome, there is also a requirement that a refund claim be filed with the IRS *before* a suit is brought. Then, although everyone knows that those who took the money in the first place are not going to just turn around and

hand it back, the taxpayer must wait *six months* before filing a complaint. Then the government has 60 days to answer, and if the taxpayer is lucky, the case will only take 2 years. During this time the IRS continues to hold all of the seized assets of the victim, leaving him with nothing to pay the grocer, the landlord, or even the lawyer he hired to represent him in the suit.

The only other alternative for getting one's money back is the Tax Court. Until recently, this posed a "Catch 23" situation: in order to get into Tax Court, one must have a notice of deficiency, generally referred to as the "ticket" to the Tax Court. As indicated earlier, however, the IRS has contended that it did not have to give a "ticket" in a termination case (the procedure in 94 percent of its assessments). The issue was appealed by the government to the Supreme Court, and in January 1976 the Court rejected the IRS argument, ruling that a deficiency notice must be issued within 60 days of a termination.

Assuming that the taxpayer is given a ticket to the Tax Court, he can still expect a 2-year wait for the game to start. During this time he will be hard-pressed to pay his lawyer or put food on the table, and so, it seems, even this "ticket" is not worth very much.

## IRS WEAPONS ARE UNCONSTITUTIONAL

The Supreme Court's 1931 decision upholding spontaneous assessments is in marked contrast to its recent holdings in commercial transactions. In the 1969 case of Christine Sniadach, the Supreme Court held that the seizure of $31.59 of her wages without judicial notice and a hearing violated "the fundamental principles of due process." And in the 1972 case of Margarita Fuentes, the Court similarly held that the seizure of a stove and stereo could not be made without prior notice and a judicial hearing. Justice Stewart, speaking for the Court, argued that "the prohibition against the deprivation of property without due process of law reflects the high value embedded in our constitutional and political history, that we place on a person's right to enjoy what is his, free of governmental interference." Rejecting the argument that a later hearing provides an adequate remedy, he noted (apparently forgetting about the 1931 decision upholding jeopardy assessments): "This Court has not embraced the general proposition that a wrong may be done if it can be undone."

The Court's view of "mere property rights" in 1931 should be compared to the 1972 case of Dorothy Lynch, in which $10 of weekly wages were seized without prior notice or hearing. Again speaking through Justice Stewart, the Court declared: "The dichotomy between personal liberties and property rights is a false one. Property does not have rights. People have rights. The right to enjoy property without unlawful deprivation ... is a truth, a personal right. ... In fact, a fundamental interdependence exists between the personal right to liberty and the personal right in property. Neither could have meaning without the other."

We cannot be encouraged, however, by the excellence of this reasoning—it is unlikely that the High Court will strike down spontaneous assessments or the IRS Narcotics Project. In the *Fuentes* decision cited above, the Supreme Court added in a footnote that it has allowed summary seizure of property to collect the internal revenue of the United States because of the "need of the government promptly to secure its revenues." Although this note is not decisive of the question, it has already been relied on several times by lower courts in deciding that the constitutionality of spontaneous assessments is beyond question. In none of the cases was the government's "need" examined at all.

In a recent speech before the Tax Section of the American Bar Association, IRS Commissioner Alexander indicated concern about using the IRS as a tool of criminal enforcement and the effect of doing so on the public's faith in the tax system. Despite this rhetoric the IRS has no current plans to withdraw from the Narcotics Trafficker Program. Neither the IRS nor the courts are going to stop the Narcotics Project. The procedures on which it depends, however, arise out of specific congressional authority. It is only a step in the right direction, but it is that authority that must be removed in order to curb the inordinate power of the taxing arm of the government. ◻


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# THE ETHICS OF RESISTANCE

Robert O. Bakhaus

As America prepares to celebrate its bicentennial birthday, the future appears anything but bright. The present inflationary depression finds our altruistic rulers fighting "heroically" to keep their welfare state afloat upon the angry seas of international monetary collapse. In the liberal lighthouse of New York City they show us the way to pursue austerity by trimming city budgets of such low priorities as police, and firemen's salaries, but never a welfare check. With such high-minded and noble examples being set, it is safe to say that we will continue to experience gusts of inflation as pressure-group warfare prompts ever greater centralization of power in pursuit of unearned paper dollars. This welfare inflation will most likely be forced upon us through implementation of new (but selective) price controls—such as the fraud of indexing—until the repressed fury of millions of victims explodes in civil war. It's either that or repeal the welfare state.

Gloom and doom, perhaps, but what's worse than this and a dozen other likely scenarios of the future is the simple, blatant fact that you and I seem thoroughly unable to prevent such things from coming to pass. Americans in this generation seem unprecedentedly helpless in dealing with their political problems.

## HOW TO SILENCE A MAJORITY

Since America's founding there have been numerous tools of retaliatory coercion embodied in the government, placed there for the use of governors and governed alike. The governed had access to these tools indirectly; through the electoral process they could hire and fire representatives who didn't view problems as they did. And, for more specific purposes, there was direct access via the courts. With retaliatory processes cutting two ways, the governed had significant means by which to restrain the governors: elections upon multitudinous levels, referendums, constitutional conventions, recalls, lawsuits, court precedents, local and state autonomy (states' rights), rights of secession, "checks and balances," judicial review, the Constitution being the supreme law of the land, Congress not funding wars declared by usurper Presidents, Presidents not executing Federal bank charters and other congressional programs, and courts invalidating the acts of both. But this was all before the welfare/warfare state's bureaucratic leviathan matured.

Today we live in an age of extreme political insulation between the rulers and ruled. The electoral process (to analyze just one of the foregoing tools of restraint) has been circumvented by the rise to power of the unelected, unfirable, life-tenured professional bureaucrat. Now we are even faced with the "astonishing" fact that such politicians as *are* changeable by election can be foisted upon us by the route of appointment.

To the degree it is retained, the electoral process has become a malevolent mockery of defense due to decades of egalitarian "one man, one vote," nonresidency, nonliteracy, nonproductivity policy. The net effect of this trend has been the creation of an "activist majority" charade that "legitimatizes" the latest bureaucratic fad—be it welfare, war, or nationalization of oil.

There are many symptoms of the maturation of this system. On the one hand is the tremendous boycotting of the polls by the silenced majority, which realizes that its votes do not enter into significant choices, that these have been made before candidates are selected or after the elections in the legislative chambers. And, on the other hand, it is becoming apparent even to the least aware that the bureaucracy runs itself in matters of policy.

What began in our Founding Fathers' time as merely office secretarial help soon became an ad-

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ministrative profession prone to corruption, patronage, and all the evils of pork-barrel politics. Since no one was interested in taking the pork out of politics, the PIGS—(People In Government Service)—were instead given the status of "civil service" autonomy so that they could hold power interminably. As with all political grants of economic privilege (no matter how tiny), the civil service job status made bureaucracy the majority party that never loses an election—the rulers without faces.

## DO YOU WRITE TO YOUR CONGRESSMAN?

Since permanent political power implies the right to exercise that power, the muscle of administrative bureaus soon hardened into the iron fist of regulatory law. Red tape has gradually become the undue process that crushes us all. Regulatory law is not only burdensome; it makes justice a joke and legalized crime the only lucrative life style. Perhaps the latest symptom of the maturation of this system is the subtle fact that the Constitution and the Bill of Rights are not allowed consideration in litigation with regulatory bodies.

We are all psychologically aware that the only way to survive today is to take advantage of the tremendous confusion about what is legal and what isn't, to maintain a low profile, crawling on our bellies to escape official notice. Cautious, ponderous timidity is the style of doing business in today's America.

The crucial point is not the amount of bureaucratic caprice in which we flounder, but the *helplessness* with which we do so. Our once great devices of defense against our own politicians are no longer functional. This is, of course, a case of moral malice by power lusters and lethargy by the victims, but also one of disorganization due to ignorance of the nature of the enemy and of the proper tools necessary for reconstructing a rational political system.

While our bureaucratic czars wield such massive weapons of initiatory coercion as taxation, conscription, censorship, and the inflation of monetary credit via deficit spending, we are stuck with antiquated retaliatory measures—asking the government's permission to sue it; writing to our Congressmen; "running for office and changing things from Washington"; "getting out the vote come election day and turning the rascals out." Such exercises in futility are worse than useless. They're exhaustingly popular.

The solution to antiquated political tools of retaliation is not more vigorous use of them. Nor are the alternatives limited to resignation (Browne-ing Out) or blind rebellion (gun-toting "patriotism"). Instead, professional political theorists who seek liberty need to define and develop innovative institutions of political dispute settlement and retaliation. One of the yet unseen disadvantages of flirtations with the ancient idiocies of anarchy is the inability of anarchists to develop objectively viable procedures and institutions to really defend rights—even their own.

## RETALIATION'S NOT THE ANSWER

If we honestly desire to make fundamental headway against our statist enemies, we must begin by reexamining a very popular but erroneous assumption held dear by many Americans, to wit: the only thing needed to set political wrongs right is a little retaliation in the right places. As the Western songster says: "When in doubt, whup it out." Mild violence is an unfortunate cultural trait of juvenile Americana. And nothing could be less useful in today's decadent political environment. Even philosophically, retaliation has definite limits.

Retaliation to initiated coercion *is* necessary to stop initiators generally and thus reduce the need for retaliation itself and the overall amount of coercion. There are at least three occasions, however, when retaliation is no remedy. (1) Often the victim is too ignorant of the nature of his rights and of the coercion used to violate them to take retaliatory steps without miscarrying justice. (The punishment *must* fit the crime. There is no right to violate another's rights—even in ignorance.) (2) At times a knowledgable victim is too unorganized to achieve just retaliation properly. (Cowboys may know somebody's stealing their cows, but vigilante lynch law, kangaroo courts, mobs, and such are not proper retaliatory procedures.) (3) Sometimes the victim's defenders are simply outgunned too effectively to achieve significant retaliatory remedy. (Such is largely the case with Cuban and other anticommunist undergrounds.)

*To noncoercively deprive oppressors of their* motive *or* opportunity *or* capability—*this is effective Resistance.*

When retaliation is useless, the victim must have a more basic, abstract conception of defense or he will succumb to the lethargy and despair of resignation—or blindly lash out in foredoomed rebellious desperation. The preretaliatory, noncoercive perspective of self-defense which he needs at such moments has been known historically as resistance.

Political Resistance (capital R) is best defined as the noncoercive defense of rights. Armed resistance is a common misnomer for blind rebellion or revolution. To be properly differentiated *from* retaliation, Resistance must be recognized as noncoercive. Then it can be integrated *with* retaliation under the genus of the defense of rights.

Resistance has never been a science, nor even a well-defined ethic. At best it has been an art most famously practiced by passivists such as Ghandi. The little attention it has received from political scientists has been given almost exclusively to the manifesta-

tion called "civil disobedience." American thinkers, from the Founders to Thoreau to today's liberals, have been aware of the problem of morally motivated violations of immoral laws. This one aspect of Resistance has preoccupied all recent analysis and has given it a bad name among America's more thoughtful and peaceful victims. Resistance, however, is much broader and more noble than mere civil disobedience.

If a basic theory of rational Resistance is to be developed, it will only emerge from prior theories of law, crime, retaliation, and the nature of the enemy—the political-economy state. Axiomatic roots must be found and a synthesis derived that will integrate all concrete cases. Profound results can then be induced, but we must begin with basics.

Consider crime. In any court of criminal appeals one can observe that prosecutors are guided by the requirement that they prove three things against a defendant before he can be considered a guilty culprit deserving punishment. Criminal guilt must be provable with reference to motive, opportunity, and capability.

One cannot prove that I smuggled diamonds into Communist Cuba for Fidel Castro just because I was carrying a satchel of them on a hijacked plane. My well-established anticommunist credentials tend to prove my lack of any likely *motive.* Likewise the prosecution will not clinch its case if a teenage defendant was in jail in Pascagula, Mississippi, when his hated uncle was killed on that hunting trip in Bulgaria. He didn't have the *opportunity.* And a dim-witted moron won't be proven guilty of a major financial embezzlement scheme, even though he envies his employer's wealth and handles the books daily. He doesn't have the *capability.*

## DISARMING THE CRIMINALS

Resistance is the noncoercive defense of rights. If a person can noncoercively prevent others from violating his rights by depriving them of their *motive,* or their *opportunity,* or their *capability,* then he has effectively Resisted them. Reference to these points is useful for grasping the possibilities for Resistance.

The next consideration is that there are basically two goals of criminal behavior. Criminals violate rights in order to (1) get away with doing anything they want to do and (2) make others do or not do whatever they—the criminals—want them to. Criminal politics/politicians share these two purposes: (1) to confiscate whatever they want in order to do whatever they want to do and (2) to regulate the actions of other people in support of the first goal.

Given the dual motives of criminals there are two corollary ways to Resist those ends. One can obey the letter of the immoral law and violate the spirit, or one can violate both the letter and the spirit. To Resist within the regulations or outside of them is a matter of choice. Those who choose to abide by the criminals' rules while doing everything else possible to foil any achievement of goals are Obstructionists. They are the people who want to change the system. Those who choose to work outside the regulations in order to save their personal values and thus foil the criminals a little less ambitiously are the Alternativists.

There are very good and sensible reasons for abiding by the rules or regulations of the oppressor when seeking to defend one's rights from a noncoercive position. To consciously do so is an explicit effort to appeal to the conscience of the oppressor—to optimize persuasive access to him. If it is honestly believed that the oppressor is acting in good faith and does not know of, or would be horrified by, the actual results of his regulations/confiscations, then one might choose to work within the system and bring contradictions, calamitous effects, scandals, and miscarriages to light. Pursuit of this line of defensive effort has the advantage of institutionalized support, access to quantities of data and inside knowledge about the enemy's system, and a subsidized podium for top-level exposure and persuasion. If indeed the goals of the oppressor are naively held and unintentionally destructive, the inside Obstructionist is the most effective Resister. But it is a difficult method and has its limits.

As an Obstructionist one is more exposed to malevolent intent, more helplessly dependent on the good will of the organization, more vulnerable to quiet suppression and frustrated stagnation. One is constantly dealing with morally ambiguous people. One is psychologically stressed by the confused environment and denied most visibility of the good being done, if any.

The route of Obstructionism is not an "anything goes," breezy position. There are very clear steps that should be taken to be effective. The Obstructionist basically has three methods at his disposal: Protest, Avoidance, and Refusal, corollaries of the three elements of criminal culpability.

## CLEARING AWAY MOTIVE

If a person must be motivated to commit a crime (discounting insanity), then Protest is the noncoercive method of appealing to his conscience and reasoning capacity. Such an effort might dissuade him from continuing a criminal course. To defuse criminal *motive* with dissuasion is the most efficient of all Resistive possibilities.

To illustrate the value of Protest in a simple way, I will tell you of a recent incident. In Texas the U.S. Snail recently began a program of installing Xerox photocopiers for public use in their many postal facilities. By some freak shred of self-restraint it also passed an internal policy ruling that such machines are not to be placed within close proximity of any private Xerox photocopier business. (Come to think of it, it was probably only the good business sense of Xerox, Inc., that precluded competition with established customers.)

As it happened, my local Post Office installed such a copier only a few hundred feet from, not one, but two private copier firms. The postal officials knew about the private firms being there and that their machine was in violation of the internal policy ruling. They admitted it benignly. The way they figured, it was the responsibility of the private sector to initiate proceedings to have the machine removed by filing a complaint. Since the internal ruling was not public knowledge, this would be an unlikely event if the victim or his champion was not on the prowl for such information. As I described it to an amused postal clerk—according to public policy it is the victim's responsibility to find out what rules of fair play the criminals might be willing to consider.

When I questioned the private firms about what the public machine (same prices) meant to them and what they were going to do, they replied that they were definitely losing business but that they'd written their legislators and been told the Post Office was not under legislative jurisdiction. They considered their options exhausted and sat lethargically wringing their hands.

When I suggested that they take this immoral situation to the public, to some of the "consumer advocates" and other muckrakers for an airing in the media—they religiously spouted sentiments about respecting established authority and waved off any idea of making a fuss. If it had been a private dog-eat-dog competitor denting their market, they would probably have been inspired to high notes of righteous indignation. But when faced with a political oppressor they were paralyzed with indecision. I left them to stew in their own cowardice, and they are still doing so today.

The irony of the situation, of course, is the actual ease with which they could have relieved themselves of this significant burden. The Postal Service, upon request, has removed numerous other machines in our area of Texas. But these unprotesting cowards remain oppressed by one more of Uncle Sam's incidental harassments.

Most people view Protest as a hopelessly exhaustive gesture fit only for eccentric individualists. But Protest is the Resistance method that identifies an oppressor as such, labels him and his actions for prosecution by self or others, now or in the future. Much good Protest bears no fruit for years, only to surface after decades of suppression (long after the author's death, in many historical cases) to topple regimes and change the course of history. Sometimes, of course, Protest is productive earlier, and the Protestor lives to enjoy fame and glory, while the oppressor is damned to history's horror files. Solzhenitsyn is but one example.

Far from being the weakest and most hopeless of acts, Protest is the most hopeful. It is easier in terms of effort required and most effective in terms of moving the farflung forces of justice in realms unconquered—including the future. Protest has the insuperable potential of changing people's minds with a new idea, the potential of educative impact.

## THWARTING OPPORTUNITY

For those who consider Protest beyond their capabilities or outside their area of interest, the next best form of Resistance is Avoidance. If an oppressor must have *opportunity* before he can violate rights, he can often be Resisted, by being noncoercively denied his opportunities. The essence of Avoidance is delay, buying time, taking advantage of loopholes (logical anomalies that the oppressor has overlooked). Within any systematized effort to violate rights, there is due process to belabor, red tape to stretch to the breaking point. The greater the bureaucratic confusion of proper procedure, the more useful Avoidance becomes. This is why statists worship the "efficiency" of dictatorships and militaristic bureaucracies. It is only the bewildering bureaucratic maze of U.S. regulatory law that at present keeps our heads as far above dictatorship as they are.

Many people had a crash course in vehement Avoidance during the Vietnam war. Students' opportunities to Avoid the draft were enviable. A description of this potential for Avoidance was reported as follows by the *New York Times:*

> A man who is classified 1-A . . . has 30 days in which to request a personal appearance before his board. It can take two months to schedule the interview. If his draft board refuses to change his classification, he has another 30 days to appeal to the State's appeal board. In some cases, the man has the right to have his appeal transferred to another state, a procedure that could take another month . . . . It often takes up to four months for the state board to act, and if there is one dissent on the state board, the registrant has another month to appeal to the presidential appeals board. It would take at least another month for this panel to act. Some draft boards will order a man for his pre-induction physical examination at the time he is classified 1-A, but others may wait until the classification appeals are settled before an examination date is set. Physical examinations can be postponed. A man has the right to take his examination at the army examination station nearest to where he lives. If the man moves, he can have the examination transferred. A college student, for instance, would originally be ordered for an examination at a station near his draft board. He could have the examination transferred to the station closest to his campus, and if he left the campus for the summer, have it changed again. It takes at least a month and often longer to transfer the physical examination. . . . It was not unusual for men to have them transferred three or four times, and this process could easily take as long as a year. If the man is found medically

qualified, at the army examining station, he has the right to appeal the decision to the Surgeon General of the Army, a procedure that takes about a month. Once the man is classified 1-A and finally found medically qualified, he can write a letter declaring that new circumstances (having just decided that he is a conscientious objector, for instance) require that his 1-A classification be reconsidered. By law, the draft board must then re-open his file, and the entire appeal procedure could start all over again.

For those of us who did pursue such tactics in depth during the war, this brief outline is a vast understatement. I spent a few years Avoiding the draft so deviously that I ended up getting an honorable discharge with travel pay from the Navy, after serving only 42 days of active duty—sitting in a Naval land station with medical exemption from labor.

Such is Avoidance—delaying tactics, working for the day when oppression ceases. In this bicentennial era the crisis is monetary, and tax accountants, tax shelter advisors, and tax lawyers are the primary Avoidance professionals.

## DIMINISHING CAPACITY

If he finds himself incapable of effective Protest or cannot afford the professional aids necessary for Avoidance, the victim with his back against the wall still has an Obstructional ace up his sleeve. I call it Refusal, but it is more commonly known and practiced today as "civil disobedience."

Refusal is a challenge to be hurled at the oppressive state when and only when its apparatus is deaf to arguments of conscientious objection or special rights to exemption. Refusal is the poor man's recourse more often than others, because he is usually not eloquent enough or wealthy enough to pursue the other forms of Resistance.

To challenge the oppressor's *capacity* to carry out his evil threats without the aid of the victim is often enough to stymie oppression—for many reasons. In prosecuting a victim who Refuses to cooperate, most governments have to allow trials and even open-to-the-press proceedings. Slapping life imprisonment upon a youth who possessed an ounce of marijuana is an embarrassment to almost any political system. The example set by one victim in a trial situation can become dynamite propaganda for Protestors and other dissident elements. Fear of the martyr-syndrome is not overrated. It is a very real obstacle to would-be slavers.

Consequently, the last option for Resisters who would "work within the system" is to "test" the law. To break the law is not only moral but necessary in many cases. There are two differences between the callous disregard for the principle of legality, evidenced by common criminals, and the principled Protest of serious Resisters: the attitude towards prosecution and the response to punishment being added to the normal burden of being exploited by the system. A conscientious Refuser will seek to maximize the persuasive value of the trial procedure. A Refuser does not *seek* to be prosecuted; detection and apprehension are the obligation of the executive branch. But a Refuser does not flee prosecution, does not hide from it (as does an Evader). Nor does a Refuser flee the punishment that may ensue, as would the calloused criminal.

Refusal poses a threat to oppressive systems in many ways. It helps keep the prosecuting machinery honest by exposing it to as much scrutiny as possible. And it even serves to ascertain the otherwise untested omnipotence of oppressors with the pressure of simple economy. Oppressive systems tend to be unproductive, hence impoverished. The *capacity* of a slave system to pursue and prosecute Refusers is therefore limited. (The trial of Angela Davis cost the State over a million dollars.) The persecution of the Jews preoccupied much of Hitler's time, even with his totally regimented militaristic bureaucracy handling it with minimum procedural friction. *Gulag Archipelago* is replete with examples of how often Russians could have escaped persecution from Stalin with the simplest Refusal since there is not enough energy needed to regiment millions without their docile cooperation.

In our times, this tactic of Refusal holds promise for incipient tax fighters. Paying a $40 tax only after the State has spent hundreds tracking down and seizing one's assets is a fine way to find peace of mind, knowing that it has cost them more than it's worth to them. In every coercive effort there is a cost factor. The less malevolent the oppression, the heavier the weight given to cost rather than to the psychological factor of setting fearsome examples with cruel and unusual punishments. The cost of enforcement is critical for the IRS today. History proves that professional enslavers seek the cheapest route of conquest—literally the path of least Resistance.

The opposite of Refusal is appeasement. Faced with the fact (or belief) of being whipped, helpless—to then begin appeasing the oppressor with self-abusive concessions is the cowardice that Refusal transcends. Appeasers enable an oppressor to take it easy, letting the victim be his own undoing. Appeasement assures eventual destruction; Refusal holds promise of reprieve.

## RESISTING A HARDENED POLITICIAN

Such are the basics of procedural Resistance, of Obstructionism—playing the game by their "rules" while thwarting their goals. But it only works if the oppressor is naive, lethargic, or inadequately organized. How does one cope with the ruthlessly cunning and ambitious predator? When the oppressor is a hardened criminal there is no hope of appealing to his mind, outflanking his edicts, or embarrassing his prosecutor. The problem becomes one of escape from

rather than reform of the system. When mere Obstruction offers no remedy, seeking Alternative systems is the only answer, even if the scope of such a life style is huddling over a campfire high in the hills. The Alternativist responds to the criminal's motive-opportunity-capability with Evasion-Sanctuary-Immolation.

To remain within an oppressor's domain, yet to be unmolested by him due to invisibility—this is Evasion. To disguise one's values so that an oppresser is not *motivated* to take them; to lie to the oppresser, to represent things as they are not, to the extent necessary to escape exploitation—this is Evasion. If done carefully, the Evader can enjoy his values undisturbed by anything but the need to sustain the disguise. But, if caught, the Evader is more than merely an exploited victim—he is now a "guilty" victim, deserving of punishments above the normal taxes, conscriptions, or what-have-you. The Evader is doubly damned when caught and vulnerable to blackmail when not.

Thus, when mere Evasion fails, the Alternativist must seek Sanctuary from the wrath of the State. If he cannot disguise his values successfully, he must move them out of the oppressor's reach in order to deny him *opportunities* for confiscating them. Sanctuary means putting physical barriers between the oppressor and the values he seeks—illegal barriers, the most basic of which is distance. Values can be put out of harm's way by burying them or shipping them to a foreign Sanctuary. In a small way Sanctuary—against the policemen—is what is sought in locking doors at night. In the larger sense asylum abroad is the major means of Sanctuary. Since the physical barrier must be adequate to render a passing thief's *opportunity* defunct, when dealing with governments the challenge is, and the distance must be, that much greater. Illegal immigration, secession, governments in exile—all are pursuits of Sanctuary.

The response of slavers to those seeking Sanctuary is always the equivalent of the Berlin Wall, the Iron Curtain, the concentration camps shrouded in barbed wire. Moving one's self illegally calls for an Israel, or maybe an Abaco or Minerva. It has long been noted that the value of frontiers is giving the oppressed a way to vote with their feet. The question often forlornly asked is: Where will we go when America falls? Ocean communities and space exploration have glimmered as Sanctuaries of the future in science fiction stories. Perhaps we shall be so lucky.

## ULTIMATE RESISTANCE

But for those who cannot hide effectively, nor flee to some remote place of safety, there is one last-ditch, basic Alternative in lieu of bloody rebellion. That last option is to destroy one's values oneself—Immolation. It is the last resort if one's life and property are going to be intolerably regulated or confiscated no matter what is tried. A person can destroy his own values, denying the parasitical the use of the unearned, the plundered. Leonardo da Vinci is reputed to have suppressed his ideas about the aqualung rather than let it become a fearsome tool of naval war in his day. In Ayn Rand's *Atlas Shrugged,* Galt's strike required the Immolation of every participant's market ambitions.

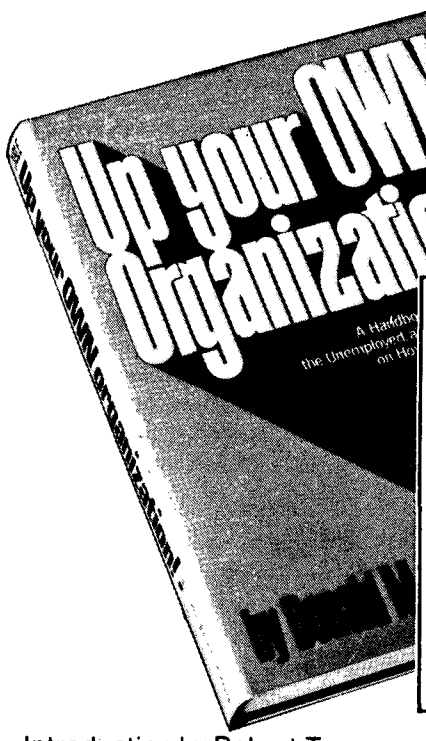
To the extent that the values are material, they can be burned or broken. It is a repeated tactic in war for Alternativists in agrarian economies to keep from subsidizing their enemy's *capacity* for conquest by burning all that they have to leave behind when fleeing invading armies.

Not the least of the reasons that suicide must be legal is that if the values being looted are nonmaterial the victim may choose death over slavery. Many women have fared better dead than as concubines or slave mares to enemy military officers. Many a scientist has preferred a grave to a tyrant's workbench building weapons. However ignorant or helpless, people are never denied this last act of defiance. They can always Immolate themselves or their values. No tyrant can long survive or maintain an ambitious *capacity* if there is never any loot to be had.

Such are the basic forms of political Resistance: Obstructionism through Protest (dissuasion), Avoidance (delay), Refusal (testing); and Alternativism through Evasion (disguise), Sanctuary (distance), and Immolation (self-deprivation or suicide). They are the basic principles upon which to build a modern movement of Resistance to the political-economy state.

The difference between such Resistance measures and the usual practice of Retaliation, with which we are so familiar, should be clear. The methods differ, as we have seen, but the purposes differ as well. The results achieved by Resistance and Retaliation are as distinct as the methods each employ. Observe the fact that Retaliatory coercion is capable of exacting restitution and imposing restraint on criminals by apprehending, prosecuting, and fining or imprisoning them. Resistance, on the other hand, merely enables a victim to slow, elude, or weaken the criminally inclined. Perhaps the criminal is forced to cease his assault and go without plunder when he encounters Resistance; but he is not forced to pick up the tab for anything he's taken or destroyed, and he's free to resume hostilities at his leisure.

So Resistance, while not a full substitute for Retaliation, is a supplement when the situation is not ripe for Retaliation. It is a useful science for those who would otherwise be stuck with the pain of resignation or rebellion. Resistance is especially well suited to 20th-century Americans who have lost any understanding of the potential for peace they may have inherited from their ancestors. With our heritage of political institutions from the 1700's lost through inability to apply them to the challenge of political-economy statism, Americans need to learn first how to Resist before they'll be fit to Retaliate, let alone Revolt.

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## Robert Greenwood

*In keeping with the anti-tax theme of this issue, REASON is pleased to present a short story by popular author Robert Greenwood.*

More cars pulled in and parked in the shade underneath the big live oak tree. It was going to be a hot day. An elderly woman was tying on a sunbonnet. Two boys in their late teens, dressed in jeans and T-shirts, were putting a battery into a portable bullhorn. One woman, who seemed to be the leader of the group, studied a clipboard she carried. She motioned to the two boys. They listened to her and then walked over to a Plymouth station wagon, opened the tailgate and unloaded a bunch of placards, stacking them on the ground.

Last night, when I'd heard the local news on television, I'd heard of their plans. The stout woman, the one who seemed in charge, a Mrs. Ryearson, had done most of the talking. The reporter had held a mike in front of her face while she looked straight into the camera. It was what the television people call one of those "standup interviews." Mrs. Ryearson had said they were going to try and save the Reed mansion. Because it was a grand example of late gold-rush architecture, one of the best in California. Besides, she'd said, it had been left to the Historical Society in Mr. Hightower's bequest. Those people from the Treasury Department had no legal right to be in possession of the mansion. She'd said they would demonstrate.

I watched them from my front window. About 20 people, of all ages, even a few children. Local people interested in local history. They formed a circle around Mrs. Ryearson. She wore a pair of large sunglasses, and a large picture hat woven of straw, crowned with a sprig of artificial cherries.

Let me explain about the Reed mansion. Maybe you've read about it in the newspapers. When they got hold of the story they called it the "Midas Mansion." They exaggerated a lot of things, even said that the gilt tapestries in the main hall were made of woven gold. It was called the Reed mansion after a man named Cyrus Reed, a hardrock miner. He discovered the Excelsior Mine, and over a period of 10 years took out about 6 million in gold. That was back before the turn of the century. Cyrus Reed died in 1927. When he made his first big strike, in 1896, he took a notion to build himself a mansion on the hilltop overlooking the mine. He hired an architect in San Francisco to come up and supervise the construction. Like most mansions of that time, it was built of native stone. Two floors. A lot of mahogany wood inside, a huge staircase, and vaulted ceilings 12 feet high. The interior walls were made of stone and masonry. All in all, a modest mansion, nothing like the newspapers

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*Robert Greenwood is the author of the REASON short story "The Other World" (Dec. 1973) and the article "Ayn Rand and the Critics" (Nov. 1974). He has also published in* Yale Review, Paris Review, Antioch Review, Twentieth Century Literature, *and other literary publications.*

made it out. Reed lived in it until he died. The mine played out in 1909 when they lost the ore vein. Reed always said he could find it again but he never did. He was still looking when he died, but he died a very rich man.

The mansion went into a period of decline. It was vacant for a while after Reed died. Then, during Prohibition, a bootlegger in Placerville bought it and turned it into a roadhouse. A use for which it was almost ideally situated, being 12 miles out in the country, isolated, and at that time on a dead end road. When President Roosevelt repealed Prohibition and raised the price of gold, a mining company moved in and tried to work the old Excelsior. But by that time the shaft and all the underground workings had filled with water. The company spent a fortune trying to pump out the water, and went broke.

When the Hightowers bought the mansion in 1947 it was pretty rundown. The county had extended the road on through to the State highway, taking part of the land for a right-of-way. As a result, the road separated the old carriage house from the mansion. You have to cross the road to get to the mansion. Avery Hightower hadn't liked that. That's where I live now, for the time being, in the carriage house. The Hightowers had it all done over when they bought the place. I wasn't here then, you understand. Actually, I'm a newcomer to the area. Everything I've told you about the history of the mansion I learned from Avery Hightower. I learned other things from him, too.

Mrs. Ryearson was marching right down the center of the county road. She was holding a placard and I noticed her purse strap slipped whenever she raised her arm. The old lady in the sunbonnet was close behind her. All 20 of them, in single file, went by my window, carrying their placards. None of them looked my way. They hadn't been able to get permission to enter the mansion grounds. The people from the Treasury Department had set up some sawhorses at the entrance and exit of the circular driveway to keep people out. They'd put those flashing red reflectors on the sawhorses, the kind they use in road construction work. Two men in business suits stood on the front lawn of the mansion watching the demonstrators. I figured they were Treasury agents. Just inside the driveway was one of those large mobile air compressors. An air hose ran from the compressor all the way up to the front door of the mansion, where it disappeared inside. The noise from the damned thing had wakened me early and had been going ever since. From inside the mansion I could hear the sound of air hammers inside. One of the boys in the road fell out of line and held the bullhorn to his face and shouted something to the Treasury people about what right did they have to trespass on private property. The others backed him up and waved their placards. Then Mrs. Ryearson came up and took the bullhorn and shouted something.

I pushed away the books on my desk. With all that racket outside I could see I wasn't going to get any work done. I closed my manuscript and took off my glasses. I'd only been back two days. But it seemed as though in the time I'd been gone everything had changed. Just two weeks ago, I'd had dinner over at the mansion with the Hightowers. The next day I'd left for southern California to do some final research on my book at the Huntington Library. That last night with the Hightowers had been a perfectly normal affair. No hint of what was to come. Avery had been spirited and talkative. His wife, Florence Hightower, had been attentive and interested in the conversation we'd had. The last thing she'd said to me when I left that night was, "When you get back, will you come over for dinner?" I'd turned and smiled at them standing in the doorway and said, "Sure, you can plan on it." While I'd been down at the Huntington I hadn't looked at a newspaper or listened to a radio. I'd spent every hour I could manage doing research and working on my notes. It wasn't until I'd started driving back, somewhere outside of Bakersfield, when I turned on the car radio, that I heard the news. It shook me. But the rest of the story was all cockeyed and didn't make much sense. Something about a fortune in gold and silver coins having been discovered in an old mansion near Placerville, California, the residence of the eccentric millionaire, Avery Hightower. I stopped at Bakersfield and telephoned. The phone rang at least 10 times before anyone answered.

"Let me speak to Florence Hightower," I said.

There was a pause. I heard someone breathing. Then: "Mrs. Hightower is not at home," a voice said.

"Let me speak to Karl," I said. Karl was the butler.

"Karl Brunswick?" the voice asked.

"Yes."

"Mr. Brunswick is not here." Another pause. I heard a second voice in the background. "Who is calling please?"

"Who the hell is this?" I asked. "What the hell is going on there?"

"Is this a local call?" There was a clicking sound at the other end of the line.

"What difference does it make?" Then I heard the beep. I said: "Who the hell are you? Why are you recording this conversation?"

Another voice came on the line and I figured he had listened in. "I'm sorry, sir. We're not allowed to give out information over the telephone. If you'll just give me your name?"

I hung up. When I got back late that night I got most of the facts. The rest of it I managed to piece together for myself.

Mr. Nash, one of the Treasury agents, stood in the road and talked with Mrs. Ryearson. She took off her sunglasses and gestured with them. Her group had closed in around her. She pointed at her clipboard and I heard her say, in a taut voice, "This here is a photocopy of his bequest to the Historical Society. It says here, in black and white," and she tapped the board with her finger, "that he left the mansion to the Society." Mr. Nash looked at it, shrugged his shoulders, and said, "That's not a legal will. No will has been found. All you can do is file your claim with the tax court."

I hadn't seen it before, but a black sedan was parked in the shrubbery inside the driveway, almost hidden. I could see part of the roof and the windshield. Two men sat in the front seat. Further down the road I noticed two men setting up a line of sawhorses. They evidently intended to put in traffic control. Only authorized personnel admitted beyond this point. Something like that.

One of the boys left the group and wandered over to the air compressor. He studied it a minute, then reached up and flicked a switch. The compressor coughed a few times and stopped. The boy turned around and smiled at his friends. One of the men from the car inside the driveway jumped out, coming at a run, and leaped over the sawhorses. The boy didn't see him coming. The man seized him from behind, by the neck, forced him down over one of the sawhorses, and pinned him there. The other boy, when he saw his friend in trouble, ran over and jumped on the back of the Treasury agent. The other boy struggled to get free. The second agent ran from the parked car. The two boys and the first agent fell together on the lawn. One of the boys tried to get up but his leg was caught in the tangle. They all rolled over together in a heap. The second agent was almost there when I saw him hesitate a moment and put his hand inside his unbuttoned coat. His coat opened and in that brief instant I saw the holster clipped to his belt and his hand resting on the butt of his revolver. I don't know whether anyone else saw it. Even if you'd had a camera you might have missed it. I only got a glimpse of it. For one crazy minute I saw it in my mind's eye as one of those shots that D. W. Griffith was famous for. When Griffith wanted to direct your eye to some particular detail, he would reduce the aperture of the camera down to where he had only a small circle focused on the detail he wanted you to see. That was all.

Then the gun was gone from sight and the agent had one of the boys by his legs.

The other agent had got free and had the other boy pinned face down on the lawn. He put his knee in the small of the boy's back and brought out a pair of handcuffs. He pulled the boy's hands together behind his back and handcuffed him. The second agent led the other boy, also handcuffed, toward the black sedan parked in the shrubbery. He stopped and removed one of the sawhorses from the driveway. The motor started, and the car pulled into full view, then stopped. I saw the two boys urged into the back seat. The car pulled out into the road and sped away.

Mrs. Ryearson looked shocked. Mr. Nash, the Treasury man with whom she had been talking, walked away across the lawn back to the mansion. The group milled around a little, looking at each other nervously. It was obvious they hadn't bargained for something like this. Mrs. Ryearson was clearly out of her league. In half an hour they had gone, and the air compressor was throbbing again.

All this, what I've been telling you, happened in late June. I'd rented the carriage house from the Hightowers six months before, in early January. Before that, I'd been a college instructor at a small private college in Southern California. Not having tenure, I'd been let go during a year of budget cutting, in one of those cycles of deflation that seem to afflict our economy with increasing frequency. I wasn't happy about it, but I'd put a little money aside for a rainy day. Besides, I was working on my book, and I wanted to finish it. So I decided to lay off for a year before I looked for another job and use the time to finish my book. Most of my research was done; my notes were pretty well organized. What I needed was privacy and isolation, a place where I could keep my own hours and write for long stretches at a time.

That's how I happened to come here. I'd been driving through the country around Placerville, liked it, and decided to inquire about rentals. How I ended up at the Hightowers was mostly by chance. They weren't looking for a renter, you understand. They certainly didn't need the money. I'd been driving along the road that led to their place, not having any particular destination in mind, when I saw this Chrysler parked beside the road. The trunk was open and an elderly man was trying to get the spare out. I stopped to give him a hand. It turned out the spare was flat, so I asked him if I could take him somewhere. "My name," he said, offering me his hand, "is Avery Hightower. I appreciate your courtesy. My place is just up the road. I'll send my man, Karl, back for the car. Ordinarily he drives me, but today I've got him doing something else."

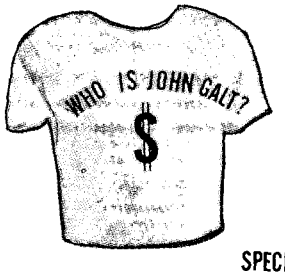
We came over a small rise covered with live oaks and then I saw the place. The old mansion was a gem of opulence in the middle of nowhere. Everything about it was spacious, even the grounds. By that time, of course, Hightower had spent a small fortune restoring the place. He'd been three years doing it, he told me later. He invited me in for coffee and introduced me to his wife. We had coffee in the kitchen, and Mrs. Hightower, in a print apron, poured it hot from the stove. I'd expressed my admiration of the restoration work on the mansion and Avery insisted that I stay for lunch. After we had chicken sandwiches and deviled eggs, he took me on a tour of the house and grounds. That's when I first saw the old carriage house, across the road.

Some people you meet you hit it right off with them. Natural rapport. That's the way it was with us. By late afternoon I was still there, we were still talking, and they asked me to stay for dinner. I did. I even stayed the night as it turned out, my first night at the carriage house. They asked me questions about myself and seemed interested in what I told them. I kept what questions I asked of them pretty much to commonplace things, nothing personal. When I told them I was writing a book and looking for privacy, they nodded, as though it were a perfectly natural thing. That night, after dinner, they told me things about themselves, voluntarily. They told me they were childless, with no close relatives on either


# WHO IS JOHN GALT ?

SINCE YOU ARE READING THIS YOU PROBABLY ALREADY KNOW AND MAY WISH TO HAVE ONE OF MY SHIRTS

"WEAR THE QUESTION THAT PONDERERED THE WORLD"

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side. They were in their seventies and had already outlived most of their contemporaries. But they were alert, especially Avery. Florence, his wife, was more introspective. You didn't have to know them very long to discover that Avery was the independent one, and Florence the dependent one. Though they had been married 50 years, neither one took the other for granted.

My memory kept turning over that name, Hightower. It rang a faint bell. Yet I couldn't place it. Not until later that night. They'd invited me to stay the night in the carriage house. Karl, the butler, took me across the road, carrying a big flashlight and a ring of keys. When we were inside, he turned on the lights and told me where everything was. In as few words as possible. That was Karl. He was about 50, maybe less, but in remarkable physical condition for his age. He had powerful arms, a barrel chest, and a completely impassive face. He spoke with a German accent. He reminded me of Erich von Stroheim in the movie *Sunset Boulevard.* Efficient and devoted, but otherwise inscrutable. Sometimes you couldn't get a word out of him, unless you asked him a direct question. Then the answer might be only one or two words. It wasn't sullenness, or reserve. More like a kind of self-assurance mixed with old-world dignity.

"Have you been with the Hightowers long?" I asked him.

"Twenty years," he said. His voice was a rich baritone.

"Are you German?"

"Austrian."

"Is Mr. Hightower the same person who was associated some years ago with Hightower Research and Development?" That had been almost 15 years ago. The only reason I remembered anything about it was because of all the publicity in the newspapers.

"Yes," he replied. "Will there be anything else?"

"No," I said. "Thank you, Karl."

"Goodnight, sir." He closed the door and disappeared into the night. I say disappeared because that's just what he did. He hadn't turned on the flashlight. I opened the door and looked out. No sign of him. No sound. After a while I got used to this sort of thing. Sometimes when I'd be over at the mansion he'd suddenly appear out of nowhere, when you least expected him. Or in a moment of some little crisis, like the time when Mrs. Hightower snagged her finger on a rosebush, he'd be right there to attend to it.

Hightower Research and Development had been one of the big swingers on the big board back in the go-go days of the stock exchange. They specialized in the most advanced areas of technology. Like solar energy, laser holography, and optical recognition devices. It had been known as a "thin issue," meaning only a few hundred thousand shares of stock were publicly traded. Avery Hightower owned the rest. When he announced his retirement, he sold all his stock to the new management. They changed the name of the company over his objections, giving it one of those jazzy titles, Pragmatek, I think it was. About a year later he made news again when he refused to pay his personal income tax. Whenever the newspapers wrote about his running battle with the tax people, they always used the adjective "eccentric" to describe him.

After they'd invited me to stay on, and we'd agreed on the rent, I'd discovered just how far this "eccentric" thing had gone. Sometimes when I'd go down to Placerville to shop, people would ask me where I was staying, especially if I wanted to cash a check, and I'd tell them at the Hightower place. Or the old Reed mansion. That usually got a reaction of some kind. That's how I heard all those crazy stories about the Hightowers. Like the time some guy told me about having seen Avery Hightower dressed in old overalls and tennis shoes, around midnight, down in some alley in Placerville, rummaging through garbage cans. Or the one about Florence Hightower, how she never missed a rummage sale, how she liked to paw through a pile of old clothes, always carrying this big paper shopping bag, and dressed like a country frump. "They're so tight they wouldn't spend a nickel to see an earthquake," one woman told me. "You know what? She goes to all the criminal trials down at the courthouse. Never misses a one. She does that for entertainment. Sits there all day. Too tight to buy a ticket to a movie. He's no better than she is. Like when he got into all that trouble with the government. He was too tight to hire a lawyer. Acted as his own, he did. See where that got him? Six months in prison." I heard a lot more, not worth repeating. In some ways people haven't changed much in 2000 years. I chalked it up to envy and malice.

The next morning Florence called and asked me to join them for breakfast. We got to talking about my book.

"What's it about, you say?" Avery asked.

"A biography of Malesherbes."

"One of the great men of the French Enlightenment," he said, munching on a piece of toast. His eyes sparkled. "Not in the spotlight like Voltaire and Diderot. A man in a difficult position. A paradoxical man. Without him the *Encyclopedie* might never have been published. As much as any man of his time, he changed the intellectual complexion of France. Perhaps the world."

I *was* impressed. Probably not more than five people in all of El Dorado county had ever heard of Malesherbes. Avery had put it beautifully. I took a long look at him.

He smiled back. "Certainly a man worthy of a biography. What do you do about sources? I should think you might have a problem there."

"Not really," I answered. "His diary has survived. There's a wealth of contemporary material. A lot of primary sources, too. I've had most of it photocopied."

"Excellent," he said. "I see you believe in organizing things." He buttered another slice of toast and took some jelly. "The thing about the Enlightenment that's always interested me is the practical emphasis they put on philosophy. You might say they took philosophy out of the monastery. The theists considered philosophy as separate from the world of phenomena. The *philosophes* changed all that."

"To some extent," I said. "But the argument persists. Or I should say it remains in its essential forms."

"How is that?" Mrs. Hightower asked. She looked at my empty coffee cup inquiringly, I nodded, and she filled it.

"The two basic approaches to knowledge remain the same," I said. "First, the school that holds that all knowledge comes from revelation, or intuition. Second, the school that holds that phenomena are perceived through the senses and conceptualized by the mind."

"You don't allow for all the variations, but then you did say basic. I can't quarrel with that. I think the *philosophes* taught us the value of exhibiting identities, that meanings have to be related to reality. Don't misunderstand, I'm not talking about pragmatism. Let me give you an example. Some 19th-century logicians who were influenced by the Enlightenment held that the subject of predication is ultimately in the nature of things, Reality, which they liked to write with a capital R. Now the formulation of meaning has to be precise. Take, for example, the confusion of many young people today. They have no R to refer to, therefore they sprinkle every sentence with 'like that' or 'you know?', which is a confession of compensation."

That's the way our conversations usually went, when they asked me over for a drink or a meal. Which wasn't every day, I don't want to give you that impression. Sometimes I wouldn't see them for several days at a stretch. I'd started writing my book and that kept me occupied.

One night he told me about his newsletter. When he'd got into that hassle with the tax people, he'd got a lot of mail from all over the country. He showed me some of the letters. Some were from cranks and screwballs, who'd said he was a fascist, or a communist, a monarchist, a wierdo, or a lunatic. Others were sympathetic and offered encouragement. He hadn't been able to answer all that mail. So he'd decided to put out a newsletter and put some of the

people on his regular mailing list. He did all the writing, often giving footnotes, sources, and bibliographies. Karl ran off about a thousand copies of each issue on a duplicator in the basement. Each issue was illustrated with a cover drawing of Avery leaning out of a castle tower, with the title, "Observations and Opinions From A. Hightower." Around the top of the tower were a few clouds, and at the base was a medieval army putting siege to the tower, complete with siege ladders. Altogether he'd put out about 50 issues. He made me a present of a complete file and inscribed the first number for me. Most of what he'd written was about economics and finance. But sometimes he'd written about philosophy and art. He told about his troubles with the tax people and the events leading up to his trial. How he'd refused to answer the summons from the tax court and how they'd sent him to prison. And later, how he'd got a hearing and acted as his own lawyer, and been released. His account of those six months spent in prison was probably his best single piece of writing. Actually, as it turned out, he'd had legal counsel when he acted as his own lawyer. He'd insisted on directing his own defense, but he'd brought in two of the best tax lawyers in the business. There was enough material in the newsletters for a book, I thought, a good book. I was surprised at the depth of his discussions, his insights, and his formulations of values. He wrote like he talked, persuasive and full of confidence.

One night he got started on Balzac. "You know that quotation from Balzac? The one that says 'Behind every great fortune there is a crime'—what poppycock that is. I never intimidated or stole from anyone in my life, no matter what some people say. But with Balzac's view of life I don't find that statement surprising, coming from him. Possibly he was prejudiced against property. Did you know he once lost a fortune when he invested in a pineapple plantation? On the outskirts of Paris, of all places. That might have soured him. But seriously, how many people do you suppose have ever thought through the idea of property? When a man acquires property, he usually has to gain it through purchase. The purchase price represents the results of his efforts, his earnings. Specifically, his time, his thought, his muscle, maybe even his blood. Those things represent his life. When he spends it to acquire a property he is making a value judgment. Property, then, is symbolic of life. To the extent that it represents earned value, it can be seen as life in its abstract form."

Florence squeezed some fresh lemon juice on her broiled salmon. The way she glanced at Avery I guessed she knew he was wound up about something.

"What the hell is a crime?" he went on. "Today all definitions are relative, or so it would seem. Let me give you an example. Take the money in circulation. Take the whole financial structure of this country. Do you realize it's all built on credit and debt? Most of it is." He looked at me, nodding significantly. "Our currency is fiat. Other paper assets, whether in the form of stock certificates, bonds, notes, are all instruments of liability. They represent debt. Because they're a promise to pay. They don't represent real wealth. Everyone ought to know that an instrument of debt carries with it risk. You want proof? Then consider all the money lost through defaulting. It's getting worse every year. What is a promise worth today?"

He paused to put some sour cream on his baked potato. Karl stood beside the sideboard, his face inscrutable.

"Even the money in circulation represents debt," he continued. "True, it's monetized debt. But debt all the same. A promise to pay. Look inside your billfold, David. Take out a dollar bill. What does it say at the top of the bill? It says 'Federal Reserve Note,' doesn't it? Think about that word 'note' for a minute. Look it up in the dictionary. You'll find that a note is commercial paper, an obligation to pay. An instrument of credit, or debt. Not many people realize that interest is being paid on nearly every dollar in circulation. It comes as a shock to some people when they learn that the money in their billfold represents debt."

Karl appeared at the table with coffee and a dessert tray. Florence looked at me and smiled. "I hope you don't mind. Avery doesn't always have such a good listener."

"Of course not," I said. "I wouldn't have missed it for anything."

Avery looked at the dessert tray and took a slice of lemon pie. He smiled. "David's already read my newsletters. I hope I'm not repeating myself."

"Please go on," I said.

"Now here's the important thing to understand," he said. "Of all money, only gold and silver coins are free of liability. Unless, of course, they've been bought on margin or credit. A gold coin is not a promise to pay. It carries no liability. No one is collecting interest on it at your expense. It's a store of value. It's *real* wealth."

After dinner, Florence said she had some letters to write and went upstairs. Avery took me into the library. He pulled a tray from a cabinet and motioned me over. It was full of gold coins.

"They're all from the Byzantine Empire. An empire that fell over 700 years ago. Have the coins lost their value? No, of course not. They were accepted in trade throughout the Mediterranean for hundreds of years after the empire fell. They were traders. An empire built upon trade. Constantinople was the only beacon of light in a world otherwise plunged into the black night of the Dark Ages. For almost a thousand years the Byzantines preserved the heritage of Western civilization." Then he waved his hand over the coins, "But you know all that." He looked at me.

"You have a way of putting it," I said.

He sat down and lit a cigar. "I'm not altogether a materialist, I think you understand that. A coin may come closer to immortality than a man. But a coin is not sentient, like a man."

"Some men have achieved immortality," I said.

"Only a few. And some for the wrong reasons. Like Plato. I've sometimes thought only certain ideas have true immortality. Like liberty, justice, and the idea of the individual. Have you ever thought that?"

"Yes," I said. "That's what I see in Malesherbes."

"Yes," he said, "an individual man can exhibit those ideas."

He leaned back in his chair, took off his glasses and polished them. "Speaking of mortality, did you know that I am 74? I've not made out a formal will. Probably should have by now. I've delayed because of this tax trouble, and my one regret is that if I should die before Florence, then the whole ball of wax will fall into her lap. I don't think she can cope with it. I've tended to be too protective with Florence. But then we do that with those we love, don't we?" He smiled again. "Everything will be a mess. Financially, I mean. But I've known that all along. Even at the beginning. The tax people have kept a tally of what they say I owe them, plus interest and penalties. What good would a will do? They'd only file a lien on my assets and contest the will. Imagine Florence contending with all that. It sickens me. In England they call it 'death duties.' A stupid phrase, as though one's duties somehow extended beyond the grave. But then they've come up with so many phrases like that, haven't they? Like paper gold. Next it will be plastic antiques."

I laughed, knowing he was trying to balance out the gravity of what he'd said with a little humor.

"I had a tax specialist in here once," he went on. "About two years ago. A highly recommended man. All he does is consult with wealthy people who are about to die. Gives advice on the best ways of preserving capital and making out bequests. Hell of a way to make a living, isn't it? Nothing productive about it. Anyway, we covered all the possibilities. Tax exempt bonds, trust funds, gifts, endowments, anything to bring down the cost of dying. He worked in here with his calculator for three hours. When he was done he said to me, 'It'll cost you at least 20 million to

die. I can't get it down any lower than that.' There was something about the way he'd put it that got to me. It wasn't the amount. Or the probability that the tax people wouldn't accept it. It was that incredible statement of his: 'It'll cost you at least 20 million to die.' Well, I threw him out. Or rather Karl did. Three days later I got his bill. He wanted $3,000 for eight hours of his time. I sent him a check for a thousand. That was the end of it."

He paused and looked at the end of his cigar. "I've made a few special bequests, like this house. Florence won't want it if I go first. She's already told me she'd prefer something smaller. I've set up a trust fund for her. One for Karl, too. I suppose the Treasury people will challenge all that in court." He shrugged his shoulders and turned the palm of one hand up. He looked around the room, at the paintings and books. Then back at me. He looked tired. "It's a hell of a thing, when a man at the end of his life has to worry about such things. I should instead be remembering my youth, my courtship with Florence, my achievements, my friends. You can see my position. In a way, I'm like your man, Malesherbes. A man trying to resolve a paradox. You know, of course, what finally happened to him for defending lost causes. They cut off his head and looted his estate."

I saw him once more after that, the night I had dinner with them before I left to go down to the Huntington. That night, when I'd walked through the grounds, on my way back to the carriage house, I could smell the heavy scent of roses in the garden. It was June already, and the time had passed more quickly than any of us realized.

Two nights ago, when I'd returned from Southern California, I'd got some of the answers. When I drove up, I noticed the mansion was all lit up. Then I saw my place, the carriage house, and it was all lit up, too. Through the windows I saw people walking around. A man stood in front of the door.

"What the hell is going on here?" I tried to move past him to the door but he stepped in front of me.

"Who are you?" He looked me over.

"I happen to live here. That's who I am."

"You are David Lanyon?"

"I'm sure as hell not Mickey Mouse."

"I'll need some identification," he said.

"Yours first," I said.

He pulled out a small black wallet and flipped it open. I saw a badge. Treasury Department. "What are you looking for? You think maybe I've got a bootleg still hidden in there?"

"We know what we're looking for," he said. "Now some identification, please."

I handed him my billfold but he motioned it away. "Just hand me your driver's license. Your social security card, if you have it."

I did. He looked at the photo on the driver's license and then at my face. "Not a very good likeness. You seem to have aged," he said, handing them back to me. "You can go inside."

"Life does that to people," I said, going in.

The first thing I saw were the metal detectors. Two men were moving them over the wall that separated the living room from my study. They looked like big saucers stuck on the end of a pole. An older man came out of my study and offered me his hand. I didn't take it. He didn't seem in the least offended.

"I take it you are Mr. David Laynon?"

"You take it correctly," I said.

"Will you please come into the study? I'll explain what this is all about. I've a few questions to ask you."

He seated himself at my desk. He put a manila folder into his briefcase and pushed it to one side. "I hope you don't mind my taking the liberty," he said, indicating my desk.

"Be my guest," I said. "I hope you found everything satisfactory."

He smiled. "My name is Roy Nash."

"Like in gnashing teeth?"

"I've not heard that one." He smiled more broadly, but it was a little forced. "I envy you your study. A most comfortable room."

"I'm sure yours is nicer."

"Perhaps. I understand you've been down at the Huntington Library?"

"You're well informed."

"Didn't you think we would be?"

"Who can say? There's more than one kind of information."

"Really? You must tell me about it sometime."

"I doubt if you'd be interested."

"I might be."

"I'm not an informer. I despise all informers."

"Come now," he said. "I realize you're upset. I understand you're writing a book. Surely a writer is a kind of informer. You inform people, don't you?"

"Like I said. There's more than one kind of information. I deal in the honorable kind."

"You've made your point, Mr. Lanyon." He looked at his wristwatch.

"I suppose you have a search warrant?" I asked.

"Of course." He reached inside his coat pocket and handed it to me. "Perfectly legal. Signed by Judge Hoare of Sacramento."

That's an interesting name for a judge."

He didn't say anything.

I said: "What are you looking for?"

"You don't know?"

"Would I ask?"

"You might. You might strike a pose."

"Then I'll put it to you differently. Have you found what you're looking for?"

"Why should I volunteer that information? I don't volunteer anything, Mr. Lanyon."

"I'm sure you don't."

"Do you want to call your lawyer?"

"Should I?"

"That's entirely up to you. You see, I do offer you a choice."

"Have a nice day," I said.

"What a clever way of putting it. So oblique." He opened the briefcase and pulled out a tablet. "How long were you acquainted with Avery Hightower?" He clicked his ballpoint pen.

"Since last January."

"Six months, then?"

"This is June. Do you want me to count it out on my fingers?"

"What was your relationship with Avery Hightower?"

"He was my friend."

"A good friend?"

"A good friend."

"What was your purpose in renting this house from Mr. Hightower?"

"I wanted a quiet place to work on my book."

"But so far from the major research libraries? I should think that a disadvantage."

"My research is now complete." I heard footsteps shuffling around upstairs in my bedroom. They were probably going over the whole second floor with those metal detectors.

"Did Mr. Hightower ever discuss his financial affairs with you?"

"In what way? Be more specific."

"In any way. You let me be the judge of what's specific."

"I knew he was wealthy."

"Everyone knew that, Mr. Lanyon."

"I knew his ideas on financial matters were considered peculiar by some people."

"Did he ever speak with you about his investments?"

"Only in a general way."

"Meaning?"

"He didn't place much faith in conventional investments. Like stocks and bonds."

"You're not being very helpful, Mr. Lanyon."

"That really worries me."

"It might yet. Did he ever speak with you about his hoard of gold and silver coins?"

So the cat was out of the bag. I'd got him to volunteer something. I'd won a round. "We talked about coins once or twice. Certainly nothing was ever said about a hoard. What do you mean by a hoard?"

"A great fortune. Millions. All hidden and undeclared."

"I knew that he collected coins. I know nothing about a hoard." That was the

honest truth.

"Are you aware that Mr. Hightower paid no income taxes for the last 10 years? That he once spent six months in a Federal prison for refusing to answer an official summons of the tax court?"

"He told me about it."

"Did he ever deliver any coins to you to hide for him?"

"No."

"Think carefully before answering."

"I said no."

"To the best of your knowledge, did he ever hide any coins in this house?"

"The carriage house? None that I know of."

"Did you ever, in any way, conspire with Mr. Hightower to conceal his wealth, either in the form of coins or cash money?"

"No. And if by cash you mean paper money, your question is ridiculous. He didn't believe in paper money."

"I'm fully aware of that, Mr. Lanyon." One of the men with the metal detectors stood in the doorway trying to catch Nash's eye. Nash ignored him for the moment. "Did Mr. Hightower ever mention to you whether he rented a safety deposit box?"

"Why should he? Why don't you ask his wife?"

He got up and walked over to the door. He stepped outside and closed the study door. I could hear them talking outside in low tones. He was gone about three minutes. When he came back, I noticed through the doorway the men with the metal detectors were leaving. He sat down again.

"Apparently you were telling the truth," he said, putting some papers in the briefcase.

"Didn't find anything? No hoard?"

He didn't answer. Just glanced at me sideways.

"I've a few questions of my own, if you don't mind," I said.

"Ask away," he said. He closed the briefcase and looked over the desk for any papers he might have missed.

"What exactly happened to Avery Hightower?"

"You haven't heard? It was in all the papers. He died of a massive coronary. Two days after you left. His wife and Mr. Brunswick took him to the hospital in Placerville, but he was dead on arrival."

"Where is his wife?"

"The strain was too much for her. I understand she's not been well these past few years. She collapsed the night he died. Hasn't been quite right since. For her own good the court ordered her into Sacramento General for psychiatric observation. We received a report on her condition yesterday, as a matter of fact. I've got it here somewhere. It's what I believe they call diminished capacity."

"Can I see her?"

"No. She's not allowed visitors just yet."

"Does she have an attorney?"

He frowned. "She does."

"I'll find out for myself, you know."

"You don't believe me?"

I grinned at him.

"Anything else?" he asked.

"What happened to Karl Brunswick?"

"A hard case, that one. He attacked one of my men over at the mansion one night and nearly broke the man's back. We had to restrain him. Did you know he was really Avery Hightower's bodyguard? That butler act was simply a pose. He's been taken into custody."

"You've got it all to yourself, haven't you?"

"I represent the government, Mr. Lanyon. Not myself. Which brings me to our final item of business. You may continue to live here for the present. The government has filed a lien on Mr. Hightower's property, both real and personal. After a suitable period of time, the real property will be sold at public auction. Including the carriage house, as you call it. I'd suggest you begin thinking about other arrangements." He stood up. He didn't put his hand out this time. "No one will disturb you here. But please don't take it into your head to come over to the mansion. No one is allowed admittance."

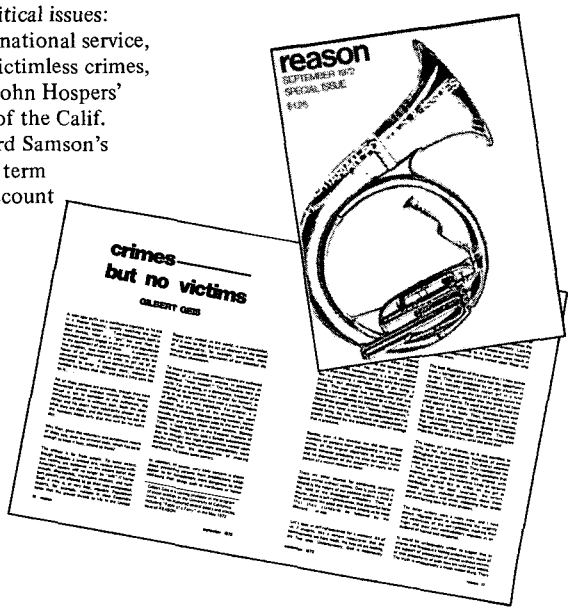
"Off limits. Is that it?"

He walked to the door, his hand rested


# Have You Seen...

**SEPTEMBER 1972** **$1.50**

This special issue introduced the first platform of the newly-organized Libertarian Party. It includes articles on a variety of libertarian political issues: the concept of universal national service, medical care as a right, victimless crimes, etc. The issue includes John Hospers' speech on the founding of the Calif. Libertarian Party, Howard Samson's analysis of abuses of the term "laissez-faire," and an account of the opening of New York's Laissez-Faire Books.

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on the knob. He turned. "Oh, Mr. Lanyon. There is one more thing."

"What's that?"

"Have a nice day."

"Screw you, too," I said.

In less than a week they'd demolished the roof and the entire second floor. By this time I'd grown used to the noise of the air compressor, more or less. I'd even finished two more chapters of my book. I planned to work another 10 days, to the end of the month, when my rent would be up, then pack up and head back to Southern California.

The media were having a field day with the story. About how the "Midas Mansion" continued to yield up its treasure of gold and silver coins. The total, if you could believe it, was already close to 3 million, with more being found every day. I'm not saying everything the media reported was exaggerated. Some of it was accurate. But they focused upon what you might say were the sensational parts, omitting the context. I wondered how many people who'd heard or read those stories ever guessed how much had been left unsaid.

I'm sure of one thing. Mr. Nash wasn't happy about the number of things that leaked out. The wire services had reported how the mansion was being demolished. How they were finding coins hidden in the walls, underneath the flooring, and just about every place you could think of. They'd already moved all the furniture out, nobody knew where for sure, except maybe Mr. Nash. I'd seen the moving vans lined up in the driveway one morning. They were all day taking things out. They even took the two iron deer that stood in the front lawn. That night, when the vans left, the mansion was only a shell. A shell waiting to be cracked. I read something once where someone said that a shell cracking open meant either a birth or a death.

The curious came, but they couldn't get past the roadblock down the road. They just stood there and gaped, pointing at the mansion through the oak trees. The Treasury people had set up another roadblock at the opposite end of the road, where it connected with the State highway. I was the only person they'd let by, except Treasury personnel, or someone they'd cleared for a special reason. Later, when they brought in the heavy equipment, bulldozers and backhoes, they let in a few men to operate them. They used the backhoes to haul the rubble over the hill and dump it down the shaft of the old Excelsior.

When they'd demolished the first floor, that left the basement. The newspapers said they'd found close to 7 million by then. How they arrived at those figures I couldn't say. Maybe the Treasury people weighed the gold and silver and figured it up by the ounce. Maybe they had some people appraising every coin. I do know when they started to work in the basement they found where Avery had hidden most of it. By that time the mansion was gone. I could see nearly everything that went on over there. I could even see into the basement. They started bringing all these pipes out. I never saw so many pipes. They were so heavy it took maybe 3 men to carry a pipe 10 feet long. It turned out they weren't really plumbing pipes at all. They were dummy pipes that Avery had put in down there, probably with Karl's help, and filled with coins. They'd been mounted to look like plumbing pipes. When they tipped them up, the coins spilled out in long rows. I saw at least 10 pipes filled with $20 gold pieces. There was a lot of activity over there that day, people running around, cars coming and going, and finally, about four in the afternoon, an armored car drove in.

The newspapers called it a "bonanza." They put the total figure up to 16 million. When they finally got the basement torn out, even down to the foundation, the bulldozers filled it all in with masonry and then covered it with fresh earth. The only thing left to suggest that a house had ever been there was the ornate iron fence that enclosed the grounds. It looked like a huge grave.

The next day only about three men were left over there, walking carefully over the leveled ground with metal detectors. I saw Mr. Nash coming over to my place, carrying his briefcase. He knocked at the door.

"I understand you're leaving this evening. Is that right?"

"That's right," I said.

"I'm leaving at noon. Before I go, I've a statement for you to sign." He reached into the briefcase and pulled out a typewritten sheet and handed it to me. "You'd better read it through carefully."

I did. It said I swore, under penalty of perjury, and to the best of my knowledge, that I'd never conspired with Mr. Avery Hightower, now deceased, in hiding or concealing any of his personal assets, specifically gold and silver coins. Or words to that effect. I handed the paper back to him.

"I advise you to sign," he said.

"What if I don't? Will you have your men rough me up and handcuff me like they did those boys the other day?"

"That was unfortunate. Please don't be hostile."

"Just be compliant, is that it?"

"That'd be the easy way," he said.

"There isn't any easy way," I said. "Not in anything. Not in this life. Even dying isn't an easy way out."

"What the hell are you talking about?"

"I didn't think you'd understand. Avery knew he was dying. I see that now. He knew it wouldn't be easy. It never is, no matter what the circumstances. Not for anyone. You know what he told me? He told me a man nearing death should be thinking about his youth, of those whom he loved, his achievements, his friends. You caused him torment. You robbed him of more than coins."

"I simply do my job," he said.

"I know all that crap. How you are only the agency of what has to be done. I've heard it all before."

"You won't sign the statement?"

"Hell no, I won't sign your statement."

He put it back in the briefcase and started for the door.

"Just one last thing," I said.

He turned around.

"Have a nice day," I said.

I started to pack. It took me most of the afternoon. I spent part of the time going over some of the chapters I'd written and made a few corrections. When I got around to packing my books, I came across that file of Avery's newsletter and that drawing of him leaning out of his tower. I looked at the inscription he'd written for me. It read: "If we believe in the immortality of certain ideas, then certain men, in whatever time and circumstances they may find themselves, must give the proof that such ideas live."

Everything was quiet across the road. Though I hadn't seen them leave, they'd gone. Down the road, even the usual crowd of the curious had gone, though I noticed the sawhorses were still there. I packed all my stuff into my car, then took one last look through the carriage house to make sure I hadn't left anything. The sun was setting, low over the hill behind where the mansion had been. I crossed the road and walked up the driveway. The earth had been scraped clean by the bulldozers, down to a fine powder. I walked up the hill, in back of where the mansion had stood, and looked down at the old headframe of the Excelsior. It leaned at a precarious angle against the sky, covered brown with rust.

I turned around and started to walk back. The sun was behind me and the earth seemed to catch and hold the last rays of light. I saw something glitter in the earth, reflecting back the light. I walked over and looked. Only a tiny rim of brilliance was exposed. I poked with my finger, like I was searching for a seed in the soil. Then I picked it up, one of Avery's $20 gold pieces. Somehow, miraculously, it had been missed by all those prying eyes, even the metal detectors. I held it in the palm of my hand and looked down at the symbolic face of Liberty, her profile raised, her gaze imperturbable, her image untarnished.

As though it were a palpable idea, a tangible ideal, I put the coin carefully in my pocket, walked across the road, and drove away. ◻

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*Aristotle's Law of Final Causation

# FOREIGN CORRESPONDENT

## ECONOMIC CONTROLS

**Don Mills, Ontario.** Rather than strictly limiting the growth of the money supply (currently 10-15 percent) or attempting to balance the federal budget, the Trudeau regime has introduced wage and price controls—a move which is sure to leave inflation unchecked, create shortages, and lead the Canadian people closer to a fascistic state.

Controls will apply under select conditions: (1) to firms employing more than 500 people, (2) to construction firms employing more than 20 people, (3) federal government employees. These controls apply to wages and prices. Prices may be raised only if costs increase and must be lowered if costs decrease. Wages may be raised a maximum of 10 percent or $600 and no more than $2,400 annually. In his speech of October 13, the Prime Minister stated that "in this way, profits and profit margins will be strictly controlled."

Trudeau warned that if the controls do not work, "the government may be forced to impose mandatory, comprehensive, all-embracing price and income controls upon every man and woman in Canada."

In addition to the already obvious argument that wage and price controls have never worked anywhere, there are a number of other arguments against the Trudeau system unique to the Canadian political situation.

An Anti-Inflation Review Board monitors and enforces the new law. The present machinery consists of a tribunal and about 200 employees. It is painfully apparent that such a small body will not be able to control the Canadian economy. It will not, therefore, succeed in keeping prices at an artificially low level. To combat the size of the body, the finance minister, Donald MacDonald, suggested that citizens report price increases to the Board through a toll-free number. This is unlikely to work very well because a system of informants requires monetary reward or blackmail and Canada is not yet totally run by the Soviet KGB.

It is, therefore, probable that Trudeau will announce the implementation of those further economic controls of which he warned in his speech on October 13. The entire situation begins to look more and more like some kind of a sinister plot to subject Canadians to complete economic control by destroying, in gradual steps, what there is left of the free market. The scenario is not a particularly palatable one because the introduction of economic controls usually presages control on other areas of human activity.

However, the act of imposing controls, whether they remain permanent or not, is not nearly as serious as the philosophical principle underlying those controls and underlying the reaction of the Canadian people to those controls. The anti-business principle is evident in Trudeau's speech. "In the scramble for security, it is the big and powerful who are winning, at the expense of those who are unable to protect themselves." Although everyone loses by governmental inflationary monetary policy, it is the larger business interests which are to be penalized simply because they are large business interests. It is utterly fallacious to maintain that large businesses prosper at the expense of everyone.

As stated by Trudeau, the government is intent on curbing corporate profits. Productivity cannot rise unless profits rise. The absurdity of the Trudeau plan is apparent in its self-contradictory nature. Purporting to curb inflation, the Trudeau regime has imposed controls designed to penalize the productive. Considering current-day attitudes towards business, Trudeau's appeal for support of his controls is an emotional one and is likely to succeed on this level.

The "destroy-the-producer" syndrome is most evident in the initial reaction of Canadian businessmen. In spite of the spectre of a five-year imprisonment and a $10,000 fine, Canadian business, in the form of the three major business associations, has expressed support for the imposition of controls. The Canadian Chamber of Commerce and the Canadian Manufacturers Association both applauded the government for taking a firm stand on inflation. The Canadian Federation of Independent Business, while neither condemning nor supporting the controls, blandly promised to watch the government for infractions of its own guidelines. Nowhere was there a dissenting voice among Canadian businessmen.

That Canadian business would support a destruction of rights of property on this scale belies their ignorance, not only of economic theory, but more fundamentally, of any concept of rights. The dangers inherent in the suppression of property rights manifest themselves in the steady erosion of liberty. Those most to blame for this erosion are those against whom it is directed; those who choose to sanction it and thus applaud their own enslavement.

It is more than likely that Canadians will find themselves subjected to greater control by an ever-increasing bureaucracy within the next three years (the running time of the controls). It is likely that by the 1978 elections the free market will have been completely replaced by government interventionism. The complete suppression of property rights means the end of all freedom. Unless vigorous opposition on the part of those most affected by these preliminary controls arises soon, it may be too late to voice any objections at all.

**A. MICHAEL KEERMA**

*[After Mr. Keerma sent in this report, Prime Minister Trudeau gave several controversial radio and TV interviews in which he spoke of the death of the free market system, the need for a larger government role in "running institutions," and the possibility of further controls. These harsh words created quite a stir, with many publicly calling Trudeau a fascist or a communist. Joe Morris, head of the Canadian Labor Congress, pleaded for all labor to fight the trend towards "a 1984-type big brother state" and "government by decree." Business leaders have finally organized write-in campaigns for donations to fight Trudeau's program. Four Ottawa electoral district presidents of Trudeau's own Liberal Party have criticized him; four more in Toronto have denounced the government's economic policies, and Liberal provincial government ministers in Nova Scotia have also opposed the controls program. Trudeau is unlikely to have improved his standing by his January trip to Cuba, where he praised Fidel Castro in these terms: "I'd rate him A-1. All kinds of superlatives. I've never seen a charismatic leader before. I'm really impressed." If a man's values can be judged by his heroes, Canadians had better watch out.—Ed.]*

# VIEWPOINT

## THE ANGOLA CAPER

Of all the inquitous ventures of American imperialism in recent decades, certainly the least defensible at the bar of reason has been U.S. intervention in the civil war in Angola. It turns out that our top intelligence decision arm, the 40 Committee (headed by Henry Kissinger), decided at a secret meeting in January 1975 to accelerate greatly U.S. arms aid to two of the three warring tribal factions in Angola, factions who were battling over the spoils attendant on an imminent Portuguese pull-out from that African colony. After a Soviet response in the spring of aiding the third faction, another secret 40 Committee decision in July greatly escalated U.S. military aid, now estimated as totalling $50 million, funnelled to the two factions by the CIA. When the massive American aid gained victories for "our" two factions, the Soviets responded with a massive airlift of its own in the fall, and thousands of warring Cuban and South African troops added to the grave danger of a global war arising from a hitherto unknown land. It also looks as if the CIA has been training mercenaries to fight in the Angolan conflict. Fortunately, the U.S. Congress, acting on leaks from troubled American officials, has passed measures banning any further covert aid to Angola, and perhaps this will end the Angolan menace to world peace—despite President Ford's continued pleas for further military aid to "our friends", and his standard interventionist blather about the "deep tragedy" of the Congressional vote for "all countries whose security depends on the United States".

Who are "our friends"—the FNLA and UNITA—whom we must risk a global war to save in Angola? What sort of "free world" representatives are these? The FNLA exists only in northern Angola, and there really only with the Bakongo tribe, the same tribe which controls neighboring Zaire. The FNLA and its leader, Holden Roberto, launched the earliest guerrilla war against the Portuguese in the early 1960's. Right-wing journals in this country were filled for years with attacks against Roberto and his men for mass rapes against Portuguese women in northern Angola. Those charges were correct, and the mass rapes and banditry of Roberto's troops undoubtedly continue, but now they are hushed up, since Roberto has now acquired his sudden status as "a leader of the free world." Since the Portuguese departure, the U.S. has put its chips on Roberto, who has long been on a CIA retainer, as has been his brother-in-law, General Mobutu, the military dictator of Zaire, whom the U.S. had backed as dictator of Zaire as against the Marxist Lumumba *and* against the pro-free enterprise Katanga secession movement headed by Moise Tshombe.

"Our friends" in southern Angola consist of UNITA, headed by a colorful character named Dr. Jonas Savimbi, who broke off from FNLA in the early 1960's for being *too pro-American.* The purely paper-thin FNLA presence in the South consisted of Daniel Chipenda, who had been a leader of the "Communist" MPLA faction until 1974. (Having launched an attack on his UNITA allies in December, 1975, Savimbi has succeeded in driving Chipenda and his pseudo FNLA out of Angola altogether.) Savimbi's movement is also largely tribal, being based on the Ovimbundu tribe in the south.

That leaves the bad "Commies," the MPLA, based in the capital city of Luanda and a small strip in the center, headed by Dr. Agostinho Neto. Being urban based, the MPLA has relatively more educated (and hence more Marxist) intellectuals, but the crucial point is that, ideologically, there is not a dime's worth of difference between any of the three factions. They are all statist bandits, and their only real differences are tribal. For the United States to get involved in this war of tribes and factions, much less to risk a world war and to dress the whole affair up in the usual anti-Communist bogeyman rhetoric, can only be considered grotesque at best. As for Dr. Savimbi—*his* "free world" status may be gauged by his expressed ultimate political aim: to join a coalition government *under* the evil Neto. As Savimbi put it, with refreshing candor, "Neto is 60 and thinks he should be president. Let him be president. I am 40 and can wait."

The major point is that there are really no "countries" in all of Africa, in any genuine sense. The "countries" were purely administrative creatures of Western imperialism—British, French, Spanish, Belgian and Portuguese—and they incorporated, as well as cut through, the true national entities in Africa, the particular tribes. Western imperialism dictated to these tribes in newly expanded capital cities, which performed a state-building

MURRAY N. ROTHBARD

and despotic function, and when leaving, the Western countries simply turned the state apparatus over to a Western-trained urban elite, ready to assume rule on their own. It was virtual civil war at home that prevented Portugal from doing the same in Angola—hence the conflict among the three warring factions. If outside hands are kept off, all of these "countries" would rapidly disintegrate into their natural tribal units. But to keep hands off, the U.S. would have to abandon its post-World War II foreign policy of propping up "stable" existing centralized states throughout the globe. Certainly, there is no rational excuse whatever for American intervention in the African continent. ◻

*Murray Rothbard is professor of economics at the Polytechnic Institute of New York. Dr. Rothbard's viewpoint appears in this column every third month, alternating with the viewpoints of Tibor Machan and David Brudnoy.*

## LUCIFER'S LEXICON
**by L. A. Rollins**

*ambition*, n. An eager desire to make "something" of oneself, specifically, a fool.

*ancestor*, n. Deadwood on a family tree.

*atrocity*, n. A heinous deed, especially a killing that is not a military necessity, but rather a military luxury.

*Big Government*, n. Grand larceny.

*tax reform*, n. Changing loopholes into nooses.

# TRENDS

## POSTAL MONOPOLY DOOMED?

In 1957 a three-minute New York to Los Angeles phone call cost $2.00; in 1976 it costs 54¢, a 73 percent decrease. In 1957 a one-ounce letter cost 3¢; in 1976 it costs 13¢, a 333 percent increase. The phone call is provided by private enterprise, the mail delivery by government. The growing cost and continued decline in service of the postal system are leading to renewed efforts to end the postal monopoly, opening first class mail delivery to competition.

Just such a move was endorsed in January by the Council on Wage and Price Stability. In a 68-page report the Council concluded that competition would "retard or reverse the upward rush of postal rates," leading to more prompt and efficient mail delivery. According to UPI, ending the postal monopoly is an idea receiving increasing support in Congress. The Crane-Symms bill to repeal the private express statutes has been reintroduced in Congress, this time with 20 cosponsors, including liberal representatives Patricia Schroeder of Colorado and Parren Mitchell of Maryland. Presidential hopeful Ronald Reagan has also endorsed the idea.

Even without repeal, private enterprise is making ever-increasing inroads on the Postal Service's business. *Electronic funds transfer systems* are being used increasingly in place of sending checks through the mail. In February the Federal government began depositing Social Security checks directly into recipients' bank accounts via EFTS, and within five years 18 million government checks will be delivered this way each month rather than by mail. (Financial mail totals over one-third of all first class mail volume.) *Courier firms* such as Federal Express, United Parcel Service, and Purolator Services Corp. now handle large volumes of high-priority reports and financial documents that used to go by mail on passenger trains. *Utility companies* are considering having meter readers deliver bills instead of mailing them. *Advertisers and magazines* are turning to private postal services instead of third-class mail delivery. The private firms are preferred because they offer better service, lower cost, or both. A pre-Christmas test by the *Milwaukee Journal* involved shipping ten identical packages to five U.S. cities, half by UPS and half by the Postal Service. "The private firm won the experiment easily, beating the Postal Service in terms of cost, travel time, and condition of the packages on arrival," reported the paper.

Proponents of the postal monopoly argue that private companies would only "skim the cream" by serving just high-volume routes, leaving costly, out-of-the-way places to the Postal Service. Supporters of repeal argue that this is an open admission that many present mailers are being overcharged to subsidize others. Rep. Schroeder estimates first-class customer overcharges at $1 billion per year. The cream-skimming argument also ignores the fact that UPS serves the entire country, not merely large urban areas.

In short, the evidence is there and the right arguments are being made. Perhaps 1976 will see the legalization of private mail.

**SOURCES:**

- "Panel Urges Competition on First-Class Mail Delivery," AP (Washington), Jan. 21, 1976.
- "Momentum Is Gaining Fast for Private Postal Service," UPI (Washington), Feb. 8, 1976.
- "Electronic Communications Feared Threat to Mailman," AP (Washington), Jan. 5, 1976.
- "Courier Firms Filling In for Extinct Trains," UPI (New York), Dec. 29, 1975.
- "Big Mailers Desert Costly Postal Service," AP (Washington), Jan. 5, 1976.
- "Private Mailing Efficient," AP (Milwaukee), Dec. 1, 1975.

## DE-MYTHOLOGIZING EDUCATION

Ask a teachers' union representative or a public school bureaucrat what is needed to improve the educational performance of public schools and the answer is likely to be (a) more money, (b) more graduate courses for teachers, (c) smaller classes, (d) socioeconomic desegregation, or (e) all of the above. But the correct answer is actually "none of the above," according to a comprehensive new study by Harvard's Christopher Jencks and UCLA's Martha Brown. The two studied the effects of a large variety of "input" factors, such as those listed above, on a large number of possible measures of the output of schooling (test scores, acceptance to college, occupational success, etc.), for a nationwide sample of high schools.

The results of their regression analyses are devastating to the standard public school mythology. None of the standard panaceas has any significant statistical connection with improved educational output. Interestingly, *large*—not small—classes "appear to have positive effects on all measures . . . precisely the opposite of what teachers and administrators assume." Jencks and Brown conclude that "neither educators nor social scientists know how to change high schools so as to raise students' test scores, educational attainment, or occupational status." Keep these findings in mind the next time your local school board demands an increase in taxes.

**SOURCES:**

- "At Home," Daniel Oliver, *National Review Bulletin,* Jan. 30, 1976.
- "Effects of High Schools on Their Students," Christopher Jencks and Martha D. Brown, *Harvard Educational Review,* August 1975.

## FREEDOM ON THE FARM

Two government agricultural programs have been abolished in recent months. First, the Dept. of Agriculture has finally gotten out of the grain storage business, after 35 years. Its last storage facilities—nine 38,000 bushel capacity quonset huts—were auctioned off last August. As recently as 1959 USDA had a storage capacity of 990 million bushels. The administrator of the program noted that purchase of surplus grain once cost taxpayers a million dollars a day (in addition to the costs of storage). Now, he noted, "farmers earn their income from the marketplace, instead of selling their crops to the government."

Rice farmers are going to have to start facing the market, thanks to a February vote by Congress to eliminate Federal marketing quotas. Under the controls program, all rice farmers had to comply with an annual national planting allotment, in order to keep prices high by limiting production. If the quotas (which are currently favored by 80.3 percent of the rice farmers) had been imposed this year, there would have been a 40 percent cutback from last year's record crop. Repeal of the quotas was supported by farmers outside the traditional rice-growing states (who are trying to expand), by consumer groups, and by the food and beer industries.

**SOURCES:**

- "USDA Quits Grain Storing Business," *The Lynchburg News,* Aug. 31, 1975.
- "Farmers Vote Rice Curbs, But Congress Bars Quota," UPI (Washington), Feb. 6, 1976.

## DECRIMINALIZING PROSTITUTION

New support for getting the government out of commercial sex transactions has developed in four states. In Ohio the

Office of Women's Studies and the College of Law at Ohio State University will spend 1976 studying the decriminalization of prostitution. An interdisciplinary project team will collect factual data on prostitution in Ohio, then study public attitudes toward the subject and towards decriminalization. Legal research necessary to prepare a decriminalization bill will also be carried out.

In Pennsylvania the 251-member Joint Council on the Criminal Justice System has recommended, after two years of study and hearings, that prostitution be decriminalized. Although the resolution has no legal force, it expected to lead to a legislative proposal sometime this year.

In California the newly-elected mayor and district attorney of San Francisco have announced that crimes of violence will receive top priority, while victimless crimes will be relegated to the lowest priority. District Attorney Joseph Freitas has announced that his office will no longer prosecute most cases of prostitution and marijuana, setting off celebrations in the city's Tenderloin district. The next day Mayor George Moscone announced that police policy will be consistent with that of the D.A., stating that given their priority on violent crimes, the police will have "very little time to worry about bordellos and peeking in public toilets."

Finally, the chief justice of the Michigan Supreme Court, Thomas G. Kavanagh, caused quite a stir by announcing on TV that he favors decriminalization of prostitution, pornography, and marijuana. Government should not impose some people's moral convictions on others, he stated. Further, such laws are invariably counterproductive. Justice Charles Levin agreed with Kavanagh, and noted that if drug addicts could get drugs at reasonable prices, street crime might be reduced by 50 percent. In response to Kavanagh's statement, the *Detroit Free Press* conducted a poll of its readers and found that 65.5 percent agreed with him that "it's not the government's business to legislate moral crimes."

SOURCES:
- "Women at Ohio State Will Make Study of Prostitution," AP (Columbus), Dec. 14, 1975.
- "Decriminalization of Prostitution Urged by Panel," AP (Hershey), Dec. 16, 1975.
- "Moscone to Get Tough on Violent Crimes," *Los Angeles Times*, Jan. 10, 1976.
- "Chief Justice Asks Weaker Laws on Pot, Prostitution," AP (East Lansing), Dec. 19, 1975.
- "Sound Off," *Detroit Free Press*, Dec. 21, 1975.

## PROTECTING PROPERTY RIGHTS

The full implications of recent efforts to enact sweeping land use planning laws (see "The Case Against Land Use Planning," REASON, January 1976) are finally beginning to be appreciated. The result is a new concern to prevent the destruction of private property rights. Among the most important critiques of land use controls is a study of the American Law Institute's Model Land Development Code, carried out by the Land Use Center of the Urban Institute. The study's author, Peter G. Brown, concluded that the widely-touted model law contains discretionary powers so broad that, if exercised, they "would restore private property to its pre-Magna Carta status."

The ALI's model law changes the basis for land use controls from today's limited police power approach to one based on regulating the environment in a "socially and economically desirable manner." Brown sees through this verbiage to the underlying "spectre of the tyranny of the majority, or of coalitions of interest groups (possibly short of a majority) achieving their purposes at the expense of others." Further, the ALI code provides no "explicit steps for determining when substantial costs are imposed on private individuals," nor does it provide "explicit methods for providing compensation." Instead, it operates on the presumption that government actions are justified, leaving it to owners who believe an uncon-


# COMING NEXT MONTH

**The May issue delves into a variety of timely issues. Economist David Levy returns to analyze what happened to New York City and whether it can still be saved. David Rogers takes a hard look at usury laws, as does Timothy Condon with laws against prostitution. Editor Robert Poole provides an illustrated discussion of the way private fire protection works in Arizona. And Prof. Fred Miller takes a revisionist look at libertarian pioneer Lysander Spooner.**

**Also in the issue: reviews of The Occult Technology of Power and the autobiography of Billie Jean King, Tibor Machan's Viewpoint, John Pierce's science fiction column, and all our regular columns and features.**



WHAT IS REALLY HAPPENING IN

SOUTH AFRICA

RHODESIA

?

ANGOLA

IS SOUTH AFRICA INTERNALLY SECURE TODAY?
WHAT IS THE ATTITUDE OF THE BLACKS IN SOUTH AFRICA?
WILL SOUTH AFRICA COME TO THE DEFENSE OF RHODESIA?
HOW DO THE RHODESIAN WHITES VIEW THE SITUATION?
WHAT WOULD MAJORITY RULE DO TO RHODESIA? WHEN?
WHY THE WAR IN ANGOLA IS CRITICAL
WILL SOUTH AFRICA YIELD ON SOUTH WEST AFRICA?
WILL THE HOMELANDS SYSTEM BE VIABLE?
WHY U.S. INTERVENTION IS LIKELY IN SOUTHERN AFRICA?

SOUTH AFRICA REPORT

A POLITICAL ASSESSMENT

by STEPHEN A. ZARLENGA

In this 20 page report, Stephen A. Zarlenga presents the objective conclusions drawn from his recent trip to SOUTH AFRICA and RHODESIA; where he met POLITICAL, BANKING, and BUSINESS leaders, and members of the BLACK COMMUNITY.

Mr. Zarlenga, a seasoned political observer and world traveller speaks four languages, lived abroad for six years, and has visited five continents. During the late sixties, in Europe, he was an eyewitness to terrorist bombings, political riots, and a military coup d'etat. He holds a degree in psychology from the University of Chicago, where he studied political science and economics.

In 1970 Mr. Zarlenga began recommending the purchase of South African Gold mining shares when Gold was at $36 per ounce. He has lectured throughout the UNITED STATES on the subject of GOLD, and MONETARY AFFAIRS, and is a director of the Committee to Establish the Gold Standard.

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stitutional "taking" of their property has occurred to go to court and fight it.

Another indicator of the new concern for property rights was a recent action by the California Senate. By a 25-7 vote this body passed a bill that for the first time would reimburse landowners if they are prevented from developing property because the state has designated it to be of "critical statewide environmental concern." Critics of the landmark legislation said that "efforts to pay reimbursement damages whenever environmentally important sections of California are zoned against development would bankrupt the state"—a telling admission of the magnitude of the rip-off contemplated by today's environmentalists. Fortunately, the Urban Institute study and the California Senate action indicate that private property rights still have defenders.

SOURCES:
- "Protecting Property Rights," *Search— A Report from the Urban Institute,* Vol. 5, Nos. 5-6, Winter 1975, p. 11.
- *The American Law Institute Model Land Development Code, The Taking Issue and Private Property Rights,* Peter G. Brown, Land Use Center, The Urban Institute (2100 M Street, NW, Washington, DC 20037), 1975.
- "Senate OKs Bill to Pay Owners of Protected Land," UPI (Sacramento), Jan. 23, 1976.

### GOLD CLAUSE COMEBACK

Gold clauses in bonds may not be invalid, after all. *Business Week* recently pointed out that the 1974 law legalizing gold ownership "at least suggests that corporate issuers of these bonds could be forced to pay off in gold. The 1974 law repeals every prior law that prohibits 'any person from purchasing, holding, selling, or otherwise dealing with gold in the U.S. or abroad.' " The Treasury Department, although stating its *opinion* that the 1974 law does not restore gold clauses' legality, has given no legal basis for its conclusion.

Consequently, a bondholder of Southern Pacific 50-year first mortgage bonds (due Mar. 1, 1977) has demanded payment of the semiannual interest in gold. The company has refused and the matter is expected to be settled in court. Since the bonds were issued, the price of gold has climbed some 6 to 7 times above its 1927 price of $20.67. Legalization of gold clauses "would create, in effect, securities that are equal, if not superior, to the U.S. government's own obligations," noted *Business Week.*

SOURCE:
- "The Gold Bonanza That's Up to the Courts," *Business Week,* Jan. 12, 1976, p. 66.

### ABOLISHING AGENCIES

Sen. William Proxmire takes credit for helping to abolish nine superfluous Federal agencies in 1974-75. In the present Congress he has introduced legislation to abolish 13 more:

- Selective Service System
- National Selective Service Appeal Board
- Interstate Commerce Commission
- Civil Aeronautics Board
- Overseas Private Investment Corp.
- CIA's "department of dirty tricks"
- Domestic (Federal) police and internal security activities
- Small Business Administration
- Civil Defense System
- Renegotiation Board
- President's Council on Physical Fitness
- Occupational Safety and Health Review Commission
- Community Development Corporations and New Communities Administration of HUD.

Proxmire has called the Selective Service System "the single biggest boondoggle now going on in the government." Although the draft was abolished in 1973 and the annual lottery and draft registration requirement were both ended in January, the SSS still has 626 offices, 2000 people, and a budget of $37.5 million. Proxmire's bill is an example of "changing the terms of the debate"—from promising voters more and more new agencies and programs to promising to


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get agencies and programs off their backs. It's a healthy sign of changing times.

**SOURCES:**
- "How Does Big Government Get That Way?" Sen. William Proxmire, *Freedom,* Dec. 1975-Jan. 1976.
- "Draft Registration, Lottery Cancelled," UPI (Washington), Jan. 23, 1976.

**MILESTONES**

- *Deregulation.* "The first significant reform of transportation regulation in more than 25 years" received President Ford's signature in February. The measure was the railroad portion of the administration's transportation decontrol plan, included as part of the government's $6.4 billion northeast railroad bailout. Besides making grants and loans to restructure seven bankrupt railroads, the bill permits railroads to raise and lower rates without approval from the Interstate Commerce Commission. Similar pricing freedom for truck lines and airlines is contained in other deregulation bills still pending in Congress. (Source: "Ford Signs Rail Bill; Urges Air, Motor Reforms," *Washington Post,* Feb. 6, 1976)
- *Civil Rights.* A court-ordered racial quota system for school principals has been overturned as "constitutionally forbidden reverse discrimination." The 2nd U.S. Circuit Court ruled 2-1 to overturn a New York school system procedure that prevented the transfer, demotion, or dismissal of black and Puerto Rican supervisors unless the percentage of such persons on the "excess" list was less than the percentage of blacks and Puerto Ricans in the community. (Source: "Court Overturns Racial Job Quota as Discriminatory," AP (New York), Jan. 21, 1976)
- *Energy.* A study by the Federal Energy Administration has shown that continuation of Federal price controls on natural gas until 1980 will result in higher total energy costs, even for households still able to obtain gas. The reason is that reduced gas production under the price controls will lead to a much higher level of costly oil imports, thereby raising everyone's total energy costs. The FEA's conclusions were backed up in recent Congressional testimony by Edward Cazalet of Stanford Research Institute and Dennis Meadows of Dartmouth. Cazalet said consumers are already paying higher total prices due to natural gas controls, and Meadows (author of *The Limits to Growth)* stated that "the American consumer is being ripped off by nature, not by the big oil companies." (Source: "Deregulated Natural Gas Cheaper in Long Run, FEA and Two Experts Agree," *Los Angeles Times,* Jan. 8, 1976) ◻

**This column reports trends in the advancement of individual liberty and the rediscovery of economic freedom. Readers are invited to submit material of potential interest.**


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|---|---|---|---|---|---|
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| Numisco | 2976 | 3002 | 2945 | 2966 | 2930 |
| International Precious Metals Corp | 3222 | 3193 | 3167 | 3167 | 3130 |

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|---|---|---|---|---|---|
| Liberty Coin Service | 2820 | 2849 | 2815 | 2830 | 2830 |
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# BOOKS

MEDIUMS, MYSTICS & THE OCCULT. By Milbourne Christopher. New York: Thomas Y. Crowell Co. 1975. 258 pp. $6.95.

THE MAGIC OF URI GELLER. By James Randi. New York: Ballantine Books. 1975. 308 pp. $1.75.

**Reviewed by SHELDON RICHMAN**

The powers of psychics have been hailed for centuries by loyal believers, but one curious characteristic common to psychics has never been explained by their followers: why is it that when an expert magician takes simple precautions against sleight-of-hand and other deception the mystic powers disappear? Psychics apparently prefer not to have this question raised, but magicians, such as Houdini long ago and Milbourne Christopher today, have asked and answered it impressively.

Christopher has just written his second book on the subject, *Mediums, Mystics & The Occult* and it is an excellent sequel to his 1970 work *ESP, Seers & Psychics.* In opposition to the tons of literature on the occult, Christopher has simply proclaimed that the existence of ESP and other supernormal powers has never been demonstrated under genuine test conditions. He makes the sensible and elementary point that parapsychologists who want to believe there are such powers are easy marks for trickery and that the best safeguard against fraud is the presence of an accomplished magician, who is by definition an expert in the art of deception.

Dogma dies hard, so I am not sure what impact either book has or will have. But I enthusiastically recommend this latest work.

Christopher names names, debunking Peter Hurkos, the psychic who claims to have helped police solve cases; Ted Serios, who "photographs" his thoughts, and Arthur Ford, who "communicates" with the dead. He shines the light of reason on "eyeless vision," Edgar Mitchell's ESP tests in outer space, psychic surgery, and Eastern mystics, such as Guru Maharaj Ji. He also tells of some of the most famous mediums who were exposed by the likes of Houdini.

And in a most fascinating chapter, Christopher describes how in 1957, under elaborate security, he correctly "predicted" the winning number in the $100,000 Cuban national lottery. True to his art, he doesn't tell us how he did it, but he assures us there was nothing psychic about it. It recently led a psychic to charge that Christopher was actually a mystic.

"Scientists who are convinced that human beings have extrasensory powers rarely take precautions to rule out trickery," Christopher writes. "Indeed, unless they are experts in the subtle techniques used by magicians and mentalists, or have someone who is to assist them during their experiments, it is almost impossible for them to detect ingenious deceptions."

An excellent case in point can be found in the chapter on Uri Geller, the young Israeli who has been touted as a psychic beyond question. Geller has amazed audiences around the world with such "mental" feats as bending spoons and keys, cracking finger rings, starting broken watches, stopping escalators and predicting messages sealed in envelopes. His alleged powers have been the object of study at the Stanford Research Institute and former astronaut and ESP advocate Edgar Mitchell has vouched for him.

Geller has indeed captured the attention of the psychic world. At last it had proof of mind over matter. Geller's biographer, Andrija Puharich, has written that Geller is controlled by an intelligence on the distant planet Hoova through its spacecraft Spectra.

Has Geller shown that he has psychic abilities? Not quite, Christopher tells us. It seems that things started going badly for Geller when professional conjurors took a close look. When Christopher advised Mike Wallace not to let Geller near the keys and silverware prior to filming a CBS "Sixty Minutes" segment, Geller suddenly was without his power. The psychic's mind again failed to influence matter when Johnny Carson, on instructions from magician James Randi, kept Geller from the props before his appearance on the "Tonight Show." These failures only enhanced Geller's reputation at first because, the believers "reasoned," if he was only a trickster, he would never fail.

Nevertheless, the presence of sleight-of-hand experts seemed to sap Geller of his mystic powers. When Christopher and Randi saw successful demonstrations, they were able to detect Geller's sleights and duplicate his feats with only the natural powers of this world.

Geller's agile hand is tipped in one incident related by Christopher. When Geller's manager, Yasha Katz, offered $100,000 to Christopher's $10,000 that the magician couldn't explain or duplicate Geller's marvels, Christopher accepted. But Katz never contacted Christopher to arrange the details of the challenge as he agreed to do. When Christopher saw Katz sometime later, the manager said the whole thing was just a joke.

"One wonders how long dedicated researchers, trying desperately to validate any phase of psychic phenomena, will continue to search for the true source of Uri's power," Christopher writes. "The frustrated son of a famous Israeli soldier candidly admitted to his biographer that his prime assets were his 'naive appearance' and his showmanship. These, plus his strong agile fingers, his alert eyes, and cleverly contrived ruses enable him to present his tricks effectively."

By the way, if you're wondering how Geller bends keys, etc., you'll find the answers in the book and at any good magic shop where you can purchase, then perform, the same feats.

A good companion volume to Christopher's is the book on Uri Geller by fellow magician James Randi, better known as The Amazing Randi.

"This writer," Randi writes in his introduction, "is convinced that Geller is a clever magician, nothing more—and certainly nothing less. This opinion is not the result of a previously set mind; it is, rather, a conclusion arrived at after two years of close observation and careful analysis."

This lively and easily-read book contains accounts of Geller's biggest bombs, such as his "Tonight Show" appearance and the *Time* Magazine demonstration.

There are also fascinating insights into the thinking of psychic researchers. Randi clearly demonstrates that any result is interpreted as proof by these alleged scientists. For example, the mathematician and researcher, Prof. John Taylor of King's College in London, explains why no one has ever seen a piece of metal in

the process of bending when Geller performs:

> One curious feature of the bending process is that it appears to go in brief steps: a spoon or fork can bend through many degrees in a fraction of a second. This often happens when the observer's attention has shifted from the object he is trying to bend. Indeed this feature of bending not happening when the object is being watched—'the shyness effect'—is very common. It seems to be correlated with the presence of sceptics or others who have a poor relationship with the subject.

Could this "shyness effect" be what magicians call misdirection? Randi wonders.

Randi also puts Geller's biggest claim—the research and report of the Stanford Research Institute—under his microscope and concludes that the loophole-ridden experiments by no means verified Geller's powers. On the contrary, he writes, when cheating was adequately guarded against, Geller repeatedly failed.

Randi writes with sarcasm and wit, sometimes praising Geller's conjuring techniques, other times belittling his "trivial" performances. A refreshing, reasonable skepticism pervades the book.

"I have often been asked, 'Do you deny the existence of ESP and other paranormal occurrences?' The answer is that I doubt their existence simply because I have never had evidence presented to me that would prove their existence."

*This book is heartily recommended for* the fun you'll have in reading it and for the joy you'll receive watching a fine magician and man of reason expose an extraordinary fake. ◻

*Sheldon Richman is a reporter and columnist for the Coatesville, PA* Record, *and an amateur magician.*

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THE $100 MILLION PAYOFF. By Douglas Caddy. New Rochelle: Arlington House. 1974. 448 pp. $8.95.

**Reviewed by GARY R. SHROAT**

Douglas Caddy, crusading young lawyer and self-appointed apologist for the Republican Party, awoke one fine summer morning in 1972 to find himself representing the original Watergate Seven after they had been apprehended breaking into the Democratic National Committee Headquarters. And because that motley crew of miscreants was in the service of the GOP, Caddy's first thought was to demonstrate that the other party was just as bad if not worse.This book is that demonstration.

Caddy quite convincingly presents his case contending that Democratic wrong-doing is more insidious than that perpetrated by Republicans. The domination of Congress by Democrats makes it possible for that party to make its "dirty tricks" legal, and legality is tantamount to legitimacy in the eyes of much of the public. But the author's bias in no way vitiates the book's value to one who has no use for either party.

It is no secret that the Democratic Party and organized labor have been in flagrante delicto since the time of FDR, but Caddy provides the names of who is in bed with whom. Campaign contributions by either corporations or unions are ostensibly forbidden by Title 18, Section 610 of the U.S. Code which reads in part, "It is unlawful for any . . . corporation . . . , or any labor organization to make any expenditure in connection with any election," and further, forbids making membership in a union contingent upon the making of contributions to any person, party or cause.

The labor-dominated Congress, however, did see fit to include this proviso in the law: "The term 'contribution' shall not be construed as meaning communications . . . by a labor organization to its members and their families on any subject or non-partisan 'get-out-the-vote' campaigns." This is the loophole through which annually pours 100 million labor dollars and the document which has conferred a technical legitimacy on the illicit affair carried on for decades by labor and government. For the above-mentioned "communications" are decidedly candidate-specific, with paid union employees regularly assigned to spread the good word about candidates the union favors.

The two most active communicating bodies within organized labor are the Committee on Political Education (COPE) of the AFL-CIO, and the Machinists' Nonpartisan Political League (MNPL), and concerning the activities of these two bodies Caddy says, "Union voter-registration and 'get-out-the-vote' drives, financed by tax-exempt Machinist dues money, aim only at blocs of voters that will support liberal and Democratic candidates."

And candidates eligible for union assistance according to such criteria are not a bit shy about asking for it. Wyoming Senator Gale McGee requested Machinist help in obtaining computer-printed address labels of those of his constituents who he thought needed educating regarding his pro-labor stance, and calculated that the cost would be some $4500. The MNPL happily complied, although the actual dollar expenditure was nearly twice that amount. Nor are the subjects of such education by any means ungrateful. "I owe you everything," Sen. Harrison A. Williams of New Jersey told a convention of labor leaders. "What you want, you've got. I owe you that much."

Myriad columns of figures provide complete justification for Caddy's title ($100 million) as the true value of the "free educational services" performed by the salaried union employees as part of the decidedly partisan educational efforts put forth by the unions' ostensibly non-partisan educational arms. The law is certainly being bent, if not broken.

Caddy is no radical, however; he is apparently incapable of attacking the system that fosters such malleable legislation. With an attitude typical of the establishment conservatism that he represents, Caddy is content to urge that the laws be amended to expressly prohibit those activities that he, with some justification, deplores.

Such an approach falls short of the mark, since in a truly free society, there would be no laws affecting the spending of union or corporate funds for any purpose. But conventional wisdom is quite correct in holding that it would be folly to simply repeal such laws as are now on the books. Caddy and others of his stripe are following this wisdom in urging that such laws need strengthening, and they are right, as long as unions retain the other types of unconscionable power that they have arrogated to themselves down through the decades. But the ultimate solution must be to strip the unions of their illegitimate power, rather than to continue passing laws ad infinitum to protect society against the repercussions that will inevitably follow their exercising it.

The freedom-maximizing solution (as opposed to the disruption-minimizing solutions that are the vogue in contemporary social thinking) would be to explicitly ratify the obvious but ignored fact that unions are essentially brokerage houses engaged in bringing together those persons who wish to rent out their bodies for the purpose of producing some good or service and those willing to pay the rent on them. Justice Oliver Wendell Holmes notwithstanding, labor is a commodity. There is no escaping that fact. And as such, labor is entitled to have its prices determined by the marketplace, with no such artificial encumbrances as minimum

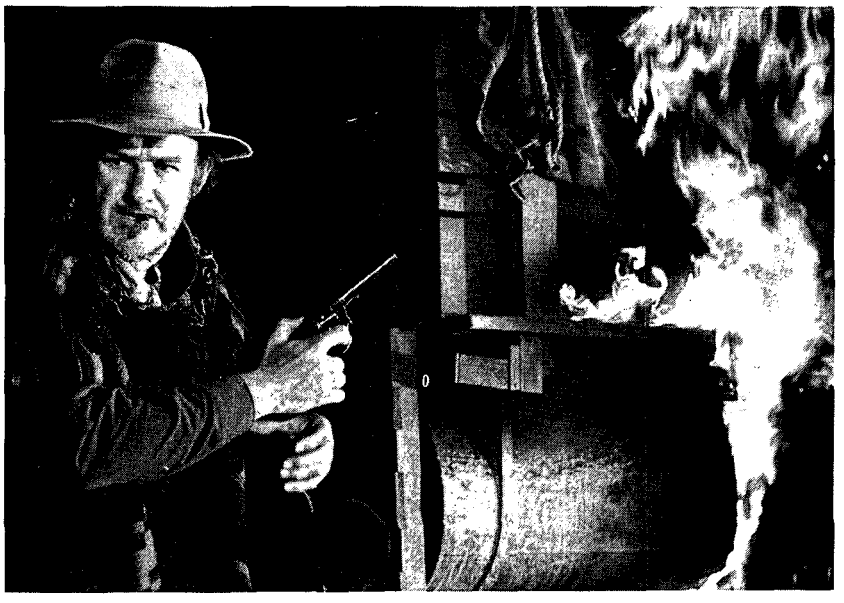
*(continued on page 57)*

# MOVIES

• **LUCKY LADY** is a frothy, good-natured adventure film of the type that used to be turned out with some regularity 15 or 20 years ago. Gene Hackman, Liza Minnelli and Burt Reynolds portray happy-go-lucky rumrunners, plying their trade between Mexico and California on a small but speedy boat, and fighting off big-time gangsters and Federal agents with varying success. Liza Minnelli, as the prime mover behind most of the mayhem and adventure, makes the most of her opportunity to parade what has become her patented brand of kookery. Hackman's and Reynolds' roles seem tame by comparison, though they prove their mettle during several well-staged fight scenes. The three of them form a menage a trois, with humor and style that liven up the film's overly long landbound portions. The government is represented by a Coast Guard patrol boat, commanded by a paranoiac straight out of *Dr. Strangelove,* who is bent on enforcing any law at any price. However, he is less of a threat than a group of mobsters attempting to put the small-time operators out of business and monopolize the liquor market for themselves. Eventually the independents, including our heroes, band together against the gangsters in a climactic naval battle that would do credit to a war movie. *Lucky Lady* has very little to say politically about prohibition, but its choice of heroes shows that the filmmakers' hearts are in the right place. Rated "PG." **—Charles F. Barr**

• **HEDDA** is a stage play transmuted into a movie, and unfortunately that's exactly what it looks like. This static, stilted production of Henrik Ibsen's *Hedda Gabler* is reminiscent of the late, unlamented American Film Theatre of a few seasons back. Ibsen's mordant look at a bored 19th century housewife, trapped with a weak and pedantic husband, lacks the moral fervor of many of his earlier works. The passions of the central characters are turned inward, toward self-destruction. Despite the superior plotting that is Ibsen's hallmark, none of the characters is positive enough to inspire sympathy or identification. Glenda Jackson delivers a very narrow interpretation of Hedda, projecting energy without emotion. (She was reportedly better in the recent stage version.) The movie's single set, a modest cottage full of overstuffed furniture, becomes unbearable after a while. If any of Ibsen's plays can be successfully converted to film, *Hedda Gabler* certainly isn't one. Rated "G."—**C.F.B.**

• "Who's paying for all this?" asks one of James Caan's hired guns in the final scenes of Sam Peckinpah's **KILLER ELITE** as they come upon a mothball fleet of hundreds of discarded battleships stored by the Navy. It is, of course, a rhetorical question (although I suspect the hired gun does not pay federal income taxes). For Peckinpah the more compelling question is what are we paying for and why, and not surprisingly, there are no justifiable answers. Caan and his partner, Robert Duvall, are highly-paid killers who work for Comteg, a "private" corporation funded by the CIA to carry out special projects. For reasons that are never adequately explained, Duvall shoots and maims Caan just before defecting. After partially rehabilitating himself, Caan accepts an assignment that appears to offer an opportunity to get even with Duvall and becomes enmeshed in an obscure and intricate intrigue which he never fully understands, nor is it always clear to him who the enemy is. The enemy, says Peckinpah, is everyone involved in the power game, including the No. 1 man at ComTeg, played by an appropriately jaded and desensitized Gig Young, who is using Caan to do some housecleaning for him. The result is a vision of power gone mad in the name of national security, power that is beyond the control of the government that created it, existing only for its own aggrandizement and fulfillment. It is a pessimistic vision, relieved somewhat by Caan's enlightenment at the end of the film as he turns down the No. 2 job at ComTeg and sails away. *Killer Elite* is a great little film, not simply because its ideological orientation is praiseworthy, but also because Peckinpah is a man who knows how to make an exciting movie, a master of suspense and action. The film is gripping, beautifully acted throughout and certainly his most satisfying effort since *Straw Dogs.* Rated "PG." **—James F. Carey**



*Gene Hackman stalks a gangster on a burning boat in* Lucky Lady.

• **BARR'S "BESTS"**

Here are my picks for the "bests" of 1975, a below-average movie year:

Best picture: *One Flew Over the Cuckoo's Nest.*
Best actor: Al Pacino in *Dog Day Afternoon.*
Best actress: Liza Minnelli in *Lucky Lady.*
Best supporting actor: Richard Dreyfuss in *Jaws.*
Best supporting actress: Eileen Heckart in *The Hiding Place.*—**C.F.B.**

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# SPOTLIGHT

Modern contraception has finally made parenthood an *option* for people, something they can freely choose . . . or *has* it? "It's true in a technical sense, of course, that people can decide not to have children, but in a deeper sense one can only really make a free choice in an unprejudiced social context," says author Ellen Peck. "And we don't have that today. Everything in our society—from the tax laws to television shows to women's magazines to the most casual conversation—is oriented toward parenthood. It's very difficult to even consider whether you shouldn't have children when everyone is pressuring you to 'have kids and find out what you're missing.' "

Ms. Peck knows whereof she speaks. Some years ago she and her husband decided not to have children. "Our childless state seemed to make us a bit freakish by the standards of the more 'normal' people we knew," she recalls. "The question 'Are you going to have any children?' was never asked. Always it was 'When are you going to have children?' and too often, as our marriage progressed on a happy note, the questioning got a bit hostile." At the time, advice columnist Peck was researching a book on "fun marriages," but the questioning led her to focus more on the issue of parenthood and its disadvantages. The result was the publication of her bestselling second book, *The Baby Trap,* in 1971, setting forth the case for a "childfree" lifestyle.

Even in the liberated 1970's, one does not question the institution of Motherhood with impunity. Reaction to the book—both pro and con—was immediate. The influential *Los Angeles Times* cancelled Peck's column of advice to teenagers shortly after the book came out. Other papers gradually followed suit, and the column folded in 1974. But the book also unleashed a flood of congratulatory letters from young married couples (and some singles, as well) who were delighted to find someone stating in print what they privately believed. Many suggested that Peck start an organization to help explain and publicize the nonparent alternative. "Many people who don't want children get conned into the trap simply because people with similar attitudes are relatively rare," one reader wrote. "Minority outlooks without some form of group support have a notoriously low survival rate."

The idea for a group took hold and in early 1972 Peck and two friends, Norman Fleischman of Planned Parenthood (a father of five) and Sherwood Wallace of the Financial Relations Board (single) incorporated the National Organization for Nonparents (NON). Today, with thousands of members and 53 chapters, NON works "to make the childfree lifestyle a realistic and socially acceptable *option.*" It has attracted to its Board of Sponsors such well-known figures as Jessie Bernard, Jim Bouton, Hugh Downs, Shirley MacLaine, Stewart Mott, Anthony Newley, and Alvin Toffler. NON publishes a bimonthly newsletter, reprints and distributes material supporting its viewpoint, lobbies to remove "pronatalist" biases embedded in American laws (such as tax deductions for having children), and carries out such publicity events as an annual awards ceremony for a man and woman selected as Nonparents of the Year.

NON also carries out research projects. A study of TV soap operas revealed substantial pronatalist orientation (11 of 16 shows featured pregnancy themes). "If all pronatalist glory-of-motherhood-and-reproductive function comments were to be combined and presented to the FCC Fairness Doctrine Committee, daytime TV would owe Zero Population Growth, NON, and other similar organizations 18,200 minutes of 'equal time' for the past year's shows alone," Peck reports. Another study looked into the true cost of parenthood. To raise one middle-class child through college costs between $80,000 and $150,000, not counting the value of the mother's time. If she stays out of the labor market for 18 years, she loses something on the order of $250,000, making the total cost of having a child around $350,000. NON also publicizes research by others, such as a survey by the University of Michigan's Institute of Social Research revealing that childfree couples scored highest of all groups in life satisfaction.

The young woman who started all of this was born 33 years ago. She majored in education at Illinois State University and spent several years as a teacher, before writing a book of advice for teenagers, which led to her syndicated column on the same subject. She married public relations executive William Peck 12 years ago, and the two remain happy advocates of the advantages of a childfree marriage. They get involved in environmental causes, pursue a joint interest in art, and take what they call "open-ended" vacations—meaning ones with no definite return date.

ELLEN PECK

In addition to traveling for NON, appearing on talk shows (in the United States, Canada, England, and Ireland so far), and attending conferences both here and abroad, Peck has continued to write books. Besides *The Baby Trap* her books include *Sex and Birth Control* and her newest, *A Funny Thing Happened on the Way to Equality.* With Judith Senderowitz she has edited *Pronatalism: The Myth of Mom & Apple Pie,* a collection of essays.

The theme underlying Ellen Peck's endeavors is freedom: freedom from both pronatalist laws and pronatalist social pressures. "We are the first generation that can choose to live as free individuals, not simply nurturers of our genetic copies," she says. "It is a joyous choice." ◧

*Readers are invited to nominate persons to be featured in this column. Send details to Spotlight, c/o REASON, Box 6151, Santa Barbara, CA 93111.*

# MONEY

## THE BANK SECRECY ACT: THE GOVERNMENT WINS AGAIN

As we have discussed earlier (REASON, December 1973), the Bank Secrecy Act of 1970 requires, *inter alia,* that persons taking in or out of the United States more than $5,000 in cash at any one time file certain reports with the Treasury Department. These reports call for the person to identify himself, his place of embarkation and destination, the amount of currency involved, and whether the money is being carried on behalf of some other person, in which case he must identify the other person's name, address, and business.

In a previous challenge of the Bank Secrecy Act, *California Bankers Assn. v. Schultz,* decided in April 1974, the Supreme Court had upheld the domestic reporting provision of the Act but did not touch on this foreign transactions reporting requirement. On December 29th a case was decided in the U.S. District Court in Vermont which ruled for the first time on a constitutional challenge to these foreign reporting requirements.

The principal attack raised against the reporting requirement was that the required reports amounted to compulsory self-incrimination in violation of the Fifth Amendment. The government maintained that the reports had only minimal hazards of self-incrimination and that, in any event, they fell within the "required reports" exception to the Fifth Amendment rule.

The "required reports" exception to the rule against self-incrimination is another fallout of the liberals' beloved distinction between economic rights and personal rights blessed by the Supreme Court in the infamous *Carolene Products* case. The leading case for this particular exception, *Shapiro v. U.S.,* is appropriately enough, a price control case.

In *Shapiro* the defendant, accused of the heinous crime of committing commerce with a consenting adult, objected to having his guilt proven by records which he was required to keep under the Emergency Price Control Act of 1942.

The Supreme Court decided that Shapiro could be required to incriminate himself, the Fifth Amendment notwithstanding. They reached this result by announcing the "required reports" exception, which provided that the Fifth did not apply if the records required were "essentially regulatory," of a sort customarily kept, and have somehow assumed "public aspects." Lest one waste too much time trying to understand what all that means, a fair translation would be that the government can require people to make some kinds of incriminating reports and the courts will figure out what kinds as the cases come up.

For example, the courts have decided that there is a significant distinction between the sort of disclosure which operates in a basically non-criminal context (*e.g.,* the requirement that a driver involved in an accident stop and identify himself) where self-reporting is thought crucial to some enforcement program and, on the other hand, those reporting requirements that compel disclosure in an essentially criminal area (such as the required disclosure in the purchase of a Federal gambling stamp).

In the present case, the court examined these issues and concluded that the government's contention that these reports were essentially regulatory in nature was not well founded. The statement of Congressional purpose in adopting the Bank Secrecy Act clearly sets out that these records and reports are required because Congress believed them to have a "high degree of usefulness in criminal investigations and proceedings." The court thus concluded that the fear of self-incrimination was not frivolous or imaginary and would expose the individual to a risk of subsequent prosecution as a result of the material disclosed by the reports.

Of course, to say that a claim is not frivolous is not the same as saying that it is compelling. Examining other Fifth Amendment cases the court observed that the disclosure required was not as threatening as those which the Supreme Court had struck down, yet it was more threatening than others which the Supreme Court had found unobjectionable.

Since a modern state cannot function unless it extracts at least a certain amount of forced confessions from its subjects, it has long been settled that not all compulsory disclosures, even if they may involve a risk of incrimination, are forbidden by the Fifth Amendment. Whether a disclosure may be required, explained the court, "depends on the relative weight of competing governmental policies and

*(continued on page 52)*


# WISE UP!

-SURVIVAL GUNS
-IMPROVISED MODIFIED FIREARMS
-SMALL FORTUNES IN PENNY GOLD STOCKS
-HOW TO HIDE ALMOST ANYTHING
-THE ADVANCED CONCEPTS OF POKER
-THE SHOESTRING PUBLISHER'S GUIDE
-HOW TO AVOID ELECTRONIC EAVESDROPPING AND PRIVACY INVASION
-SUPPRESSED INVENTIONS & HOW THEY WORK
-THE POOR MAN'S JAMES BOND
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# publisher's notes

• **COMMENT OF THE MONTH:** In our April 1974 issue, we announced the inauguration of REASON's "Letter of the Month," a feature designed to encourage our readers to write letters to the editors of newspapers, magazines and journals. Each month, in the past two years, we have selected the most notable published letter for republication. We have been impressed by the quantity and quality of the letters submitted to us. Now we are pleased to announce an expansion of our "Letter of the Month" feature: we would like to invite our readers to also send us all replies to TV and radio editorials which have been broadcast within the preceding month.

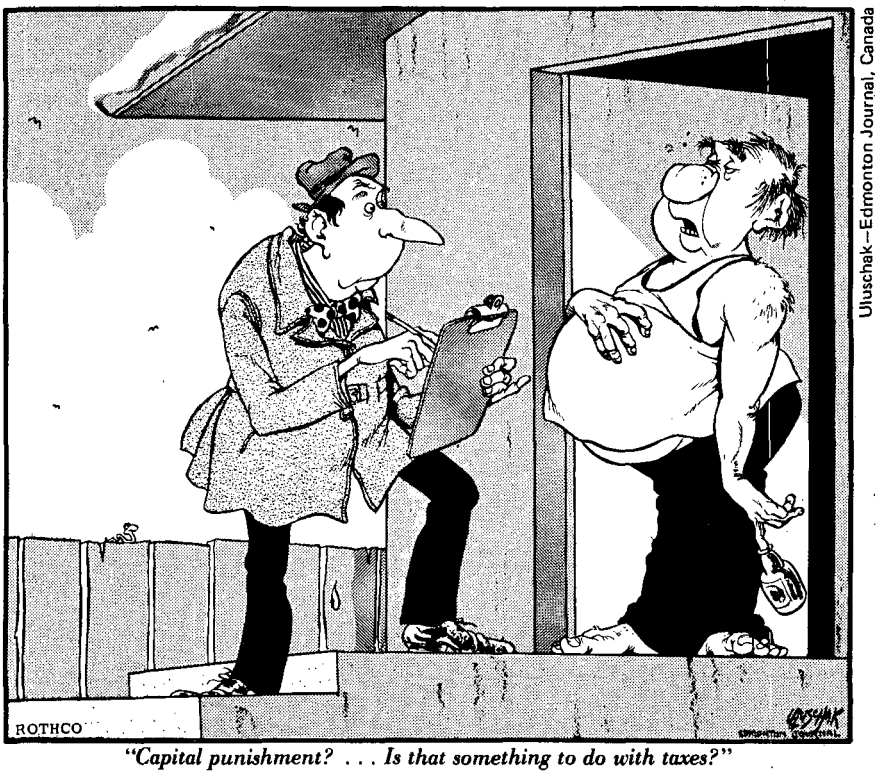
Editorial replies have regularly been broadcast on radio and TV in Los Angeles on behalf of the Libertarian Party, the Libertarian Alternative and the Libertarian Law Council, which has led many people in the Los Angeles area to become familiar with libertarian ideas. We would like to encourage this type of activity, which is one of the most cost-effective means of bringing new ideas to the public. We have, accordingly, renamed our feature "Comment of the Month," and will be pleased to honor our subscriber whose comment —either a published letter or a broadcasted editorial reply—is selected each month as the most notable by REASON's editors. Each month's winning comment will be republished in REASON and the author will receive a free six-month extension of his or her REASON subscription.

• **ERRATUM:** We wish to apologize to book reviewer James Chesher, whose name was inadvertently misspelled in last month's issue. Mr. Chesher reviewed Robert Pirsig's *Zen and the Art of Motorcycle Maintenance.*

• **PAYING FOR CONSERVATION:** The California Senate recently passed landmark legislation which would require the state to pay damages whenever it sets aside coastline or other property for environmental protection. Reimbursing landowners if they are prevented from developing their property makes sense, although we think the payment should come from those who impose the restrictions on development, and not from those who oppose such restrictions on property rights. Such an approach would effectively deal with the objection raised by environmentalists that the substantial costs of reimbursements "would bankrupt the state," and might make some people hesitate before they tell someone else how their property is to be used. Noting that not a single environmental group had supported the bill (which faces an uphill fight in the Assembly), Sen. Peter Behr, a leading environmentalist spokesman, said "This would literally torpedo progress as we have come to know it."

• **CIRCULATION FIGURES:** We've always read with interest the compilation published by *National Review* of the paid-circulation figures for various periodicals, taken from the statement required by the U.S. Postal Service to be filed every fall by each publication. Rounded off in thousands, here are some comparisons from last fall's figures: *Atlantic*, 331,000; *Barron's*, 227,000; *Commentary*, 55,000; *Harper's*, 334,000; *Human Events*, 66,000; *Inflation Survival Letter*, 45,000; *National Review*, 94,000; *The New Guard*, 7,000; *The New Republic*, 85,000; *The New York Review of Books*, 91,000; REASON (coming on strong), 14,000; *Ripon Forum*, 2,000; *Washington Monthly*, 28,000. Although magazines such as *National Review* and *New Republic* have been declining in circulation, REASON has continued to increase each year, and we expect to be well over 15,000 by this fall.

• **DEFINING RELIGION:** Because the Internal Revenue Service has no definition of "religion," disputes occasionally arise as to whether a religious group is entitled to federal tax exemption. The IRS has stated that it is working on the problem of definitions. Meanwhile, the Rev. Dean Kelley, the National Council of Church's executive concerned with issues of religious and civil liberty, has proposed a "test of time" approach, under which a new movement claiming to be a church would qualify for tax exemption purposes only if the "church" or "religion" has survived for a period between 20 and 50 years, or more. It's probably just a coincidence that the NCC is composed of groups over 20 years' old, but in any event, we don't see any merit in Kelley's suggestion. We certainly don't object to giving tax exempt status to churches, whether they're 20 years' old or 20 days' old. But what we'd really like to see is *true tax reform,* which would give *all* private individuals tax exempt status—so that all citizens could voluntarily decide for themselves how they'd like to spend their own money —rather than letting politicians get in on the act. Now, wouldn't that be a miracle!




Uluschak—Edmonton Journal, Canada

*"Capital punishment? . . . Is that something to do with taxes?"*

# FRONTLINES

Inch by inch, the Libertarian Party is moving toward ballot status in 1976. The announced target is to be on the ballot with the MacBride-Bergland ticket in at least 30 states. Hopes have ranged as high as 37 states. The national **Executive Committee** held its semi-annual meeting in New Orleans, Jan. 31-Feb. 1, to review the campaign so far and to debate the nitty gritty of party politics.

## SOME GOOD NEWS AND SOME BAD NEWS

The bad news is that the various state and local party organizations are much in need of basic training in political skills. For example, "precinct workers" are needed almost everywhere and most volunteers have no idea how to do the job. Another problem is that (surprise!) many people are unreliable, and promise to do things which they subsequently drop. The saddest case in point is the state of Nebraska.

**Bob Meier**, chairman of the **MacBride for President Committee, 1516 P Street, N.W., Washington, D.C. 20005,** was not at the meeting in New Orleans because of the discovery of the Nebraska disaster. It seems that the person in charge of the ballot drive was some sort of nutty person who told open lies to Meier and L.P. Chairman Ed Crane over the telephone, in order presumably to keep the national office happy, so that they would continue to praise him or something. Over the telephone, this sort of fraud could not be detected. Bob Meier made a routine trip to Lincoln and Omaha just before the New Orleans meeting to check on the progress of the campaign. He found that he had to stay, in an attempt to organize the petition drive from scratch. The petitions were not even printed, and yet the national office had been informed that the drive had already collected 2,000 signatures (one-third of the necessary total) before Meier uncovered the lie.

After a week of effort by a number of volunteers which Meier located, it was clear that the total could not be obtained in so short a time period. With only two weeks to collect the total, the petition drive in Nebraska had to be abandoned. The Nebraska disaster is much worse than many other cases, but there is still a lot of incompetence at the local level which libertarians need to overcome. The national headquarters will be taking a more active part in local petition drives, at least in terms of checking up on reports of progress and passing the word to neighboring states about the campaigns to get on the ballot, so that volunteers can be sent from state to state.

In other states, the petition drives are almost completed. In Utah, the L.P. is on the ballot and **Steve Trotter** has already launched a very aggressive campaign for the U.S. Senate. Contact the **Trotter for Senator Committee, Box 9164, South Ogden, UT 84403** for more information. Other states which are doing very well are Hawaii, Alaska, Colorado, New Hampshire, Vermont, Idaho, and Ohio. In New Mexico, no petitions are needed at all; the L.P. need merely file with the state government some organization documents. In Kentucky only 1,000 signatures are needed and they have over three months, as of this writing, to obtain them. Teams of interstate volunteers have been scheduled to work in Michigan and Alabama, and both states seem likely of success.

*Libertarian Party Executive Committee members map strategy.*

Some of the big states, such as New York and Illinois, have a major uphill job ahead of them, both requiring more than 25,000 signatures by mid-summer (Illinois wants to collect over 50,000 as a safety margin, to insure against that state's traditional corrupt ballot problems). A complete review of the various states counted 25 with no significant problems in achieving ballot status, and perhaps eight more with success possible given a little help from the national office and some volunteers from other states and money to help pay the per diem expenses of the workers.

On the donations question, the MacBride Campaign committee anticipates qualifying for Federal matching funds in mid-March or early April, but this will be used only as a publicity initiative. The Libertarian Party intends to refuse a tax subsidy and to demand that the other candidates give back the money they received earlier.

## A SYMBOLIC POLITICAL PARTY

One question on the agenda at the New Orleans meeting was the proposed change in the "crossed arrow" Libersign. **Toni Nathan** proposed a rising sun "new dawn" alternative design. Following the debate on the Libersign, **Greg Clark,** the National Secretary, protested that the L.P. should not have an "official symbol" at all. He quoted Ludwig von Mises, from the book *Liberalismus* (1921),

> . . . no party flower and no party color, no party song and no party idols, no symbols and no slogans. [The Party of Principle] has the substance and the arguments. These must lead it to victory.

The Executive Committee voted to repeal its official endorsement of the crossed arrow. **David Nolan** pointed out, however, that the symbol had already become a common identification for libertarians. In the spirit of "voluntary association" and suchlike, he said (and the group generally agreed) that it will continue to be used by many people. Nolan suggested that the Party think about other informal symbols, for example New York's mascot, the porcupine, with quills erect and the motto "Don't Tread On Me!" This individualistic mammal would fit in well with Thomas Nast's famous symbols for

the Big Two, the mule and the mastodon —the one sterile and the other extinct.

**THE 1976 NATIONAL CONVENTION**

The Libertarian Party will hold its 1976 national convention in the middle of September in **Washington, D.C.** The convention should be the highlight of the MacBride-Bergland campaign and every effort will be made to arrange a major gathering of over 1,000 libertarians "to petition the government for a redress of grievances." People from all over the country should be there, as there are no restrictions on delegates—anyone can attend.

There was at first a stirring debate and a fierce competition for the honor of sponsoring the national convention. The cities most likely to have major media value were preferred. New York, Chicago, Los Angeles, and Oklahoma City were suggested. The committee ruled out any state where the party would not be on the ballot. **Chicago** was Chairman Ed Crane's personal choice. Andrea Millen, on behalf of New York (which didn't want the job two times in a row), asked what would happen if the Executive Committee should draft Chicago. **Richard Suter,** chairman of the L.P. in Illinois suggested that Chicago might go to Canada to evade the draft, considering the amount of work which would have to be diverted to such a project. The Illinois petition drive will require about 1,000 man-days, or 80 active people, through mid-July. The small but experienced Illinois party can only do one thing or the other, not both. **Chairman Ed Crane** was clearly not pleased with the added work, but he took it in good humor.

At the end of the meeting, Crane, slightly embarrassed, accepted a vote of appreciation from the Executive Committee with the statement that it was heartening to realize that in only four years the L.P. has grown from two states to a majority of the states and has started to get its platform and arguments out into the streets and the corridors of society. More and more people are picking up a familiarity with the name "Libertarian" and its strict meaning. A copy of Crane's letter to Ronald Reagan was circulated, requesting that the Republican not refer to himself in public as a "libertarian" because of the great likelihood of ambiguity as to what the L.P. stands for and what Reagan supports. —**Joe Cobb**

*This column is concerned with an analysis of the activities on the "frontlines" of the battle of political principles, and with the people who are active in the struggle. Please send news and ideas to Joe Cobb, Box 1776, Chicago, IL 60690 for consideration and use in FRONTLINES*

## MONEY

*(continued from page 49)*

individual liberties." A cynic might claim this rule amounts to saying that individual rights will be respected so long as they do not too greatly inconvenience the government, but then cynics are always looking on the dark side.

Having stated that they will weigh the government policies, the court suddenly notes that the transaction takes place over national boundaries and, since the government has always had greater leeway in these matters (*e.g.*, warrantless searches by customs agents, etc.), and since the reports merely create a "possibility of incrimination," they conclude that the Fifth Amendment is not violated and the required reporting of currency movements is constitutional.

The court's opinion may be very bad logic but it is, unfortunately, probably good law. ◻

DAVIS E. KEELER

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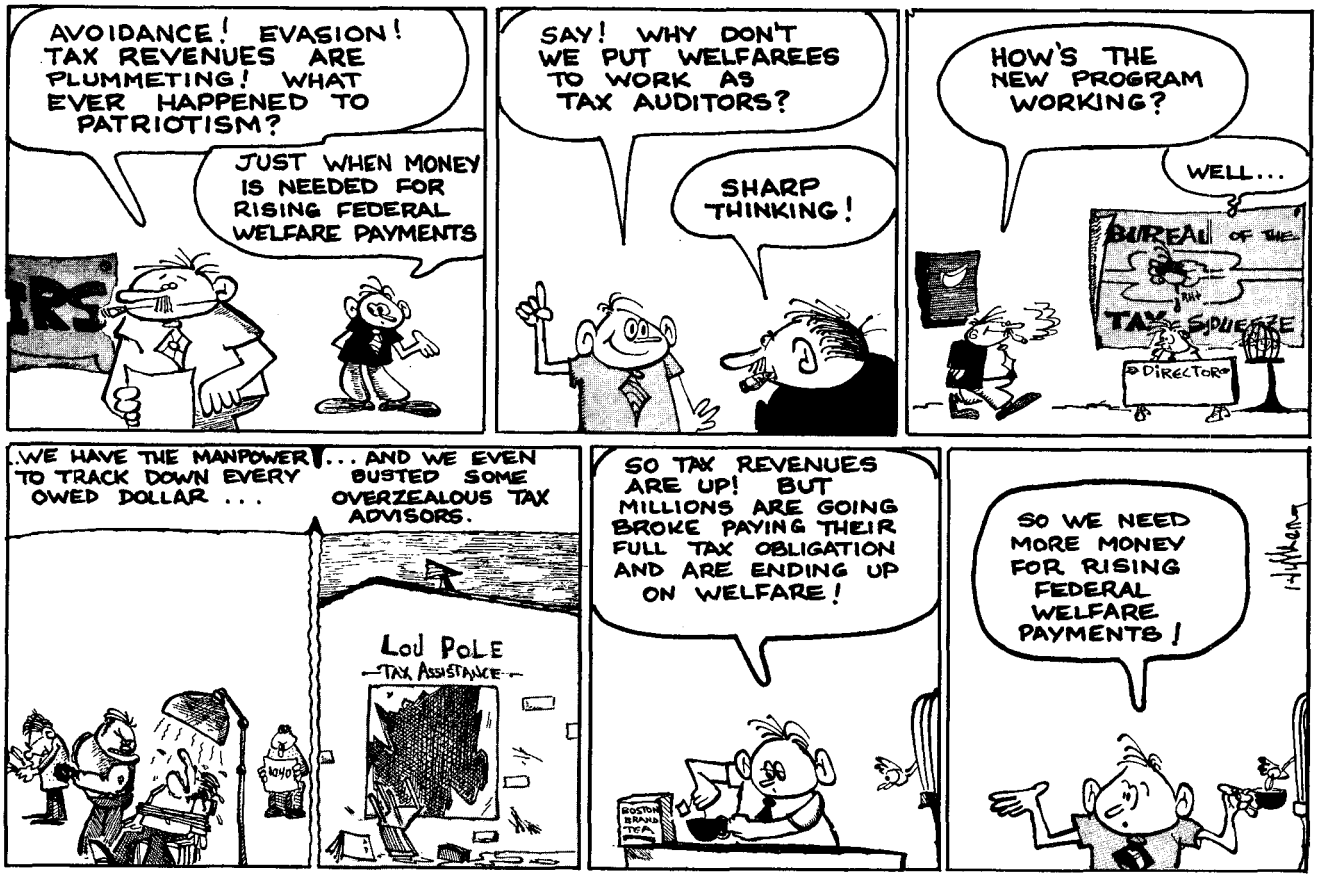
*Davis Keeler's Money column alternates monthly in REASON with John J. Pierce's Science Fiction column.*

# rudebarbs

**RANDALL K HYLKEMA**


AVOIDANCE! EVASION! TAX REVENUES ARE PLUMMETING! WHAT EVER HAPPENED TO PATRIOTISM?
JUST WHEN MONEY IS NEEDED FOR RISING FEDERAL WELFARE PAYMENTS
IRS
SAY! WHY DON'T WE PUT WELFAREES TO WORK AS TAX AUDITORS?
SHARP THINKING!
HOW'S THE NEW PROGRAM WORKING?
WELL...
BUREAU OF THE TAX SQUEEZE
DIRECTOR
WE HAVE THE MANPOWER TO TRACK DOWN EVERY OWED DOLLAR ...
... AND WE EVEN BUSTED SOME OVERZEALOUS TAX ADVISORS.
LOU POLE
TAX ASSISTANCE
SO TAX REVENUES ARE UP! BUT MILLIONS ARE GOING BROKE PAYING THEIR FULL TAX OBLIGATION AND ARE ENDING UP ON WELFARE!
SO WE NEED MORE MONEY FOR RISING FEDERAL WELFARE PAYMENTS!

# LETTERS

### CAPITALISM AND JUSTICE

I enjoyed December's REASON, with its many excellent articles on the subject of the free market and business. I particularly liked the one by Charles G. Koch, "Anti-Capitalism and Business." However, there is one thing that I would like to add, which may shed some light on why the market is not more loved by the persons that benefit most from what is left of it. That is, by the way, the vast bulk of the population, America's middle class, which is at the same time, its working class.

To many persons the libertarian is an apologist for business. In Ayn Rand's *Atlas Shrugged,* one of the three statist judges comments to Hank Rearden, during the latter's trial, to the effect that whereas Rearden spoke of freedom, was he not merely interested in the freedom to make money. Rearden replied that such was the case and didn't he understand what that freedom implied. I submit that this is an extremely poor answer and is the answer that Rand's Objectivist philosophy gives. It is shared by many libertarians and includes persons such as writer Harry Browne. All these people ground their ultimate defense of liberty on the ethic of rational self-interest as the highest virtue. I submit again that this is wrong and we will not win our liberty unless we discover why.

Self-interest is indeed a virtue if rightly applied. The market reflects mutual self-interest. Splendid. We support it 100 percent. But it reflects something greater, much greater and fundamental: JUSTICE. There is no dichotomy here, only a case of what is first and what is secondary. Justice involves mutual self-interest because it involves, by definition, the *voluntary* principle, the golden rule idea, if you will. Self-interest, by itself, offers us no standard of right and wrong conduct. David Rockefeller, perhaps the most evil person living (I can defend that statement but it is beyond my scope to do so here), acts in his own self-interest. Furthermore, he acts rationally from his point of view. I challenge anyone to show how he acts altruistically. His victims are plagued with it and he surely makes use of that. But he surely is not. He may have the ability of a Hank Rearden. But his ability to coerce is so far greater than any market ability he might have, that if he lived as an honest businessman, he would not be nearly as rich nor would he be as world renowned. So much for rational self-interest as the HIGHEST virtue.

Now when the love and practice of justice is put at the very top of our value scales and we act in our self-interest within that framework, then we are truly moral defenders of the free market and all the rights of free men. We appeal to, and greatly inspire that heroic passion for justice that alone is necessary to form a successful defense of liberty. Liberty is, after all, justice itself. Dr. Murray Rothbard has, more than anyone else, stressed this glorious truth. Perhaps, that is why he draws more and more persons to liberty and all the while Randianism degenerates to such a low point that we witness the spectacle of an Alan Greenspan, the disciple Miss Rand is so proud of, as just another State apologist, while Miss Rand, herself, is even hostile to not only the Libertarian Party but, more importantly, the entire libertarian movement. I might also state that she has turned out to be a militant spokesman for Zionism, with no regard for the rights of the Palestinians who have lost their private property and what liberties they had. The list could go on, but it would not be necessary. The choice is clear. The passion for justice and the moral triumph of liberty for all; OR the "What's in it for me—the world be damned" philosophy.

Seek ye first the reign of justice and all these things shall be added unto you.

**Michael Albert Nash**
**Memphis, TN**

### REAL-WORLD CAPITALISM

Your December issue which is concerned with the state of Capitalism contains a powerful lot of erroneous ideas and statements on this subject. I speak from the standpoint of experience and not from behind the hallowed halls of ivy, having spent forty years on Main Street, U.S.A. as a Free Enterprise Capitalist.

The definition of "Capitalism" is engaging in a venture to "buy, sell, and make gain" with resources belonging to the entrepreneur. This does not mean an S.B.A. Government Loan with a 40-year promise to pay at a ridiculously low rate of interest. This type of loan is the climate that has changed the Free Enterprise System into one that is financed by ALL the PEOPLE and one from which the recipient can walk away smiling (having nothing invested) after he has raised hob with the profit structure and all the legitimate competition in the field. Why not! He has NOTHING to lose. The effect is devastating to the legitimate operator. The Keynesian principle of "volume" has permeated the retail business in America as well as the general economic scene.

The vehicle that is supposed to justify drastic price cutting is called COMPETITION but under these conditions is is nothing more than Economic Cannibalism with ALL the PEOPLES MONEY! An analysis of the effects will show the legitimate operator being run out of business with his own Tax Money lent to his competition! How sweet it is!

PROFIT is the lifeblood of CAPITALISM. Take away the profit and the system is gone. We have become a nation of S.B.A.-financed semi-literate operators of a business we know nothing about. Everyone is "living by the book." No matter what type of business you enter the first thing you are given is a price book that you are supposed to follow. Standard price charges for everything but based on a high volume business that only a few can generate because there is an S.B.A.-financed operator on every corner. The ability to figure the cost and selling price needed to make a profit and to evaluate his own business, do his own advertising is all covered "in the book." Follow it and you will end up broke and out of business. Those who can get the volume necessary to sell at the low profit margins in the book exist with the meager living of nothing more than hired help.

**Jake Fenenga**
**Presho, SD**

### WORTHAM ON BROWN

In response to Susan Love Brown's letter [December] denying my conclusion [September] that her view of the problems of Negroes is clouded by deterministic sentiments, I would like to point out that by calling the idea of "the rape of the black mind" a product of determinism, I was not describing the whole of Brown's philosophical system, but her presentation of a specific issue.

I did not recognize the metaphor in her title and saw no indication of it in the exposition that followed. I took Brown at her word and responded accordingly. Now that she has designated the terminology in her title as mere metaphor, I would like to respond to that—accordingly.

The dictionaries I am familiar with define the verb "rape" as an action committed

by force upon one's person or property by an external opponent. With this definition in mind, I had read Brown's terminology to imply that the lack of self-identity among Negroes is due solely to external forces beyond their control. Such an idea, I believed, had to originate from deterministic sentiments and contradicts many of the other very sound observations she makes.

Brown's clarification indicates her figurative use of rape to mean an action initiated by oneself against his person—in this case, his mind. In my view, the only way one can "steal" his own self-identity is on the condition that his consciousness exist outside his person, which is clearly impossible. Brown's clarification makes no sense to me.

But I am less concerned about her use of "rape" than her assertion that my objection to such terms as "black mind" and "blackness" is the same as an objection to "man's rights."

There is no connection whatever between designating the minds of Negro individuals as "black" and the fact that rights are the possession of men—i.e., *all human beings.* I object to Brown's uncritical use of such terms as black mind and blackness precisely because they are conventionally used to oppose principles of human rights —and ultimately man's reason.

Black mind is an anti-concept which gives man's reason a racial attribute it does not have and drops the context of the universal identity of the human mind. It is not analogous to man's rights but to such anti-concepts as "women's rights," "minority rights," or "patients' rights" which give human rights circumstantial attributes they do not have and which drop the universal context of human rights.

There is nothing figurative about "man's rights." (It in no way represents something called "male's rights" for instance). It is a valid, objective concept formulated on the basis of man's nature as a rational being who must survive according to the *right* requirements of his psycho-biological and intellectual nature—requirements that ought not be infringed upon by other men.

Concepts like black mind and blackness, on the other hand, are used by subjectivists and collectivists to negate the nature of man's consciousness and to legalize the infringement of his rights. Because I support the concept of man's rights I must object to these concepts and therein lies my consistency—not inconsistency as Brown claims. Like Brown I do not believe in collective minds or collective men, and it is for this reason that, unlike Brown, I challenge the use of black mind as literary convention. I object because such terminology violates the law of identity; it is fashioned by men who insist that words have no specific referents but mean whatever people want them to mean.

Surely I recognize the validity of verbal economy in communication, but I must object when it is used at the expense of objectivity to translate into practical reality the arbitrariness men give in abstraction to concepts and definitions. Brown may use such concepts as black mind and blackness in the interest of verbal economy but that is hardly what is intended by the many political activists, educators, and the journalistic/entertainment/advertising media who use them. It is important that we question not only the validity of these anti-concepts but also the means by which they have become literary convention.

**Anne Wortham**
**Elmhurst, NY**

## WATERED DOWN IDEAS

I have to say that I was stunned by those letters you published criticizing you for defending gay rights [December]. What disturbs me about them is *not* the attitudes—those are certainly familiar enough to me. Rather, it's that people with those attitudes came in contact with libertarianism, got exposed to enough of it to subscribe to REASON, and never heard that libertarians favored sexual freedom (at least in the political/legal sphere).

I can see three ways this could happen: (1) these people were told libertarian general principles clearly and never reasoned through to gay rights; (2) they were told libertarian general principles and encouraged not to apply them outside the areas (economic policy?) that interested them; (3) they were told about libertarianism by people who themselves weren't willing to carry them through in this area. Whichever is true, this doesn't say much for the quality of libertarianism's "recruits." Gay liberation, after all, is a perfectly straightforward application of the libertarian ethics; moreover, the psychological viewpoints associated with libertarianism—e.g. Branden's theories—logically imply that, if a person does enjoy homosexual more than heterosexual relationships, he may be missing the best form of sexual pleasure, but there is no reason for him to feel guilty or punish himself or for other people to fear him. Some male homosexuals do use force on other males, but a homosexual woman could equally well advance the corresponding criticism against heterosexuality.

As a political cynic, I'm not concerned about the Libertarian Party's success in educating people. But it does hurt to see a concern for popularity and acceptance lead to libertarian ideas being debased to appeal to idiots. If libertarianism can only "win" by this kind of watering down, it's likely to die of its victory. What happened to "the courage to be utopian" we used to hear so much about? Fifty years from now, I suppose, some new movement will look back and its members say, "Hey, those 'libertarians' really were on the right track; they had a lot of good ideas. What do you suppose happened to them?" The answer, plainly enough, will be "death by compromise."

**William H. Stoddard**
**Chula Vista, CA**

## CAUSE FOR REJOICING?

Once again, I note Professor Rothbard's exultation over the calamitous decline of state power—this time, it is the financial demise of New York City [January]. Well I can agree with him that it is a sure sign of the chickens coming home to roost, and a vindication for libertarian prescience, but excuse me from the merry-making, I see no special glee in the understanding that yet another edifice of the state is crashing down, crushing innocent persons beneath it.

But Rothbard's gleeful chortles pale into mediocrity beside the advertisement on page 5, proclaiming how "You can profit from the coming mideast war." Isn't it enough for libertarian journals to denounce war, without summoning up the capitalistic maxim that "Aware investors have always made good profit from war"? I fully recognize that present times are such that it is near folly to neglect financial opportunities—but surely it is unnecessary to so loudly lick one's chops over the imminent prospect of destruction, death, and ruin visited upon a hapless and poverty-stricken population.

The fall of New York is nothing to rejoice over; it is just a grim inevitability of state deficit financing—bringing good to no one and not desirable in any absolute sense. Better it should never have been, to begin with. And it is utterly shameful to think that libertarians could ever find an ad appealing that viewed warfare as yet another opportunity to amass fortunes.

This flagrant callousness brings no honor to libertarianism and can serve only to repel outsiders from our cause. I completely repudiate and abjure the above sentiments of Professor Rothbard and the Dublin Publishing Company.

**Mike Dunn**
**Seattle, WA**

**WAR PROFITS?**
WHY? WHY? WHY? WHY would you go and accept an ad that says "YOU CAN PROFIT FROM THE COMING MIDEAST WAR"? Does no one in this world Care about people any more?

Look, I know you have a right to make money—if I didn't think so I wouldn't have subscribed to REASON for four years—I wouldn't have spent hundreds of dollars on freedom-oriented books—I wouldn't have written-in John Hospers in the 1972 election. Also I wouldn't have felt very sad when Ayn Rand turned ultra-right and anti-libertarian.

But nowhere in those many books is there a justification for making money off the deaths and suffering of other people. Sure, it's easy to sit back here, while those dumb A-rabs and Hebes kill one another and bleed and suffer, and watch the money roll in. Sure, you say, someone is going to get rich, so why not me? I say, why you?! Libertarianism claims to be the MORAL political philosophy!!

I say you are two-faced, fork-tongued. You rush to the aid of someone who is being taxed (I agree); whose civil liberties are being stomped on (I agree); who is being regulated/controlled/harassed by Uncle (I agree): but there is no way around it—to accept an ad that pushes war-profiteering is to push war yourself—to gloat over the latest body-count from Sinai, because that means more MONEY!!

DAMMIT TO HELL!!! IS THERE NO ONE OUT THERE WHO GIVES A DAMN ABOUT *PEOPLE???!!!*

**Joseph Elliott Caldwell**
**Greensboro, NC**

**Editors' reply:** Readers Dunn and Caldwell are advised to read (or reread) the advertisement in question. The point of the book is to make money—not from "war" (there is no discussion of selling arms, to either side, as Uncle Sam does)—but from the predictable distortions in the economy caused by government controls in response to the likely occurrence of another Mideast war. This is merely intelligent speculation, which is entirely morally defensible and even praiseworthy. —**Ed.**

**TELEPHONE COMPETITION**
In an article appearing in Trends [January], a U.S. Supreme Court decision to permit other communications companies to compete with American Telephone and Telegraph was applauded. While competition is certainly desirable, the article was incomplete.

The FCC requires AT&T to equalize its pricing practices nationwide. Calls going between, say, Philadelphia and New York city are high volume but calls going between towns in, say, New Mexico are not. AT&T is required to price the calls in high volume areas to cover the losses in low volume areas. MCI Telecommunications Corp. does not provide services in low density areas and therefore does not have to cover the losses of services in these areas.

Just another example of government regulation making life wonderful and fair for industry.

**Robert W. Warren**
**Greensboro, NC**

**Mr. Poole replies:** Mr. Warren is correct in his description of the facts. But the prescription is not, as A.T.& T. would have it, to use government force to put MCI out of business, but to remove the FCC controls on A.T. & T.'s pricing so that telephone users in low-density markets pay a competitively-determined (probably higher) rate, rather than being subsidized by users in high-density markets.—**R.P.**

**DEREGULATION**
Supporters of transportation deregulation would be interested to know of the coverage of the issue in the June, 1975 issue of *Traffic Management.* The annual meeting of the U.S. Chamber of Commerce showed support by the delegates for abolition of the ICC, CAB and Federal Maritime Commission.

Also in the issue is a poll of railroad executives on public issues. Deregulation of railroads is supported by 22.2 percent and opposed by 66.7 percent. However, 83.3 percent favor partial deregulation, 11.1 percent total deregulation, and only 5.6 percent favor continued regulation. Open entry into freight transportation is supported by 11.1 percent and opposed by 83.3 percent. This backs up historian Gabriel Kolko and others in showing that it was business that demanded regulation of the economy for its own purposes. It should be noted in fairness that there is a minority of railroad executives that are consistently opposed to transportation regulation.

**Richard A. Cooper**
**Columbia University**

**PROPOSED BALLOT INITIATIVE**
Place the following Proposition on the ballot:

"The Peoples Right of Appeal Act. Any rule, regulation, law, or practice that is questioned by ___ percent of the registered voters will be placed on the ballot for vote of confidence. If rejected by more than 50 percent of the electorate it will cease to be law after a period of time equal to one tenth of the time it has been in existence."

This sounds a lot more practical than the "None of the Above" ballot change, which seems to leave things somewhat in limbo.

**Robert Hawkins, M.D.**
**Santa Barbara, CA**

**MARTIN AND EXTERMINATION**
I'm absolutely shocked regarding Dr. Martin's remarks concerning the Nazi extermination of European Jewry [January]. I am not a learned historian, but allow me to answer several of his truly astonishing allegations.

"I never made a head count of all who lost their lives in the war—we've seen a variety of statistical materials, some of which have been pulled out of thin air."

"I don't believe that the evidence of planned extermination of the entire Jewish population of Europe is holding up."

"I haven't seen any strong evidence to upset his (Rassinier's) allegations or his assertions that there was no planned program for the extermination of European Jews. His other main case is that there were no gas chamber extermination programs."

The Nuremberg and Eichmann trials extensively documented the Nazi's "Final solution of the Jewish Problem" as did the mountain of captured German documents. In evidence were documents from the German archives themselves, concentration camp records, and sworn statements of the officials of the Nazi Regime, and people who were actual inmates of the camp. If Dr. Martin would like a head count of exterminated Jews, I refer him to Yad Vashem in Israel, which is a memorial to the murdered Jews and where several million names are recorded. Nazi head counts themselves are yet more evidence of the killings of millions.

I suggest that Dr. Martin do a little first-hand research and see the gas ovens at Auschwitz, Dachau, and Bergen-Belsen which have been preserved as memorials.

There were numerous instances in the interview where Dr. Martin used unbelieveably sophomoric reasoning. Allow me to mention the most obvious: "After all, he (Rassinier) was in one or two of them (concentration camps) for several months, long enough to get a good idea what it was like." Is Dr. Martin so naive as to think that because one or two camps were not extermination camps, therefore,

# REASON'S COMMENT OF THE MONTH

The letter below, by subscriber Don Doig, appeared in the December 31, 1975 issue of the *Bozeman Daily Chronicle:*

**PRIVATE MAIL DELIVERY**

*In recent months the U.S. Postal Service has been receiving a lot of attention. It is becoming increasingly obvious that the government monopoly attempting to provide services which should be provided by free and open competition in the marketplace is a miserable failure. The Postal Service had a deficit of $989 million in the fiscal year ending June 30, 1975, and has a projected deficit of $1.4 billion for the current fiscal year. The postal authorities are now talking about ending Saturday deliveries. In addition to their recent rate hike (first class mail rates increased from 10 cents to 13 cents, etc.), they are seeking an increase in their federal subsidy from $920 million to $1.8 billion per year. This subsidy comes from tax money.*

*United Parcel is effectively competing with the Postal Service in fourth class mail delivery (the least profitable class of mail). Private firms are prohibited by law from competing with the Postal Service for the delivery of first class mail. In addition they must compete against Postal Service rates (for fourth class mail) which are supported by a large tax subsidy. Nevertheless, United Parcel offers competitive (and usually cheaper) rates, and better and faster service. It is no doubt true, however, that if UPS had some real competition, they would be even more efficient.*

*I want to propose that the U.S. Postal Service be sold—lock, stock, and barrel —to a completely private firm. And that first and second class mail delivery be opened up to unrestricted competition. There should be no legal barriers to entry of new firms into the postal business, and the new business situation should be completely unregulated (save for legal actions against cases of fraud).*

*It has been suggested that it would be uneconomical to continue to provide rural delivery at current rates, and that private firms would concentrate in urban areas, and therefore, rural mail delivery would have to be subsidized by the government. It is crucial to realize that no one has an inherent right to live at the expense of another. If it is in fact true that rural mail delivery routes are inherently unprofitable at city rates, it does not follow that city dwellers should be forced to subsidize rural mail delivery, any more than rural people who can raise some of their own food, should be forced to subsidize the higher grocery bills of city dwellers. In practice, however, it is quite likely that rural mail delivery could be delivered cheaply and profitably by small, independent mail carriers (or even individuals), as long as they don't have to fight a morass of licenses, taxes, regulations, and restrictions.*

*Remember that when you add to the ever-increasing postal rates the large federal subsidy, it costs the taxpayer a lot more than 13 cents to mail a letter. Government services are not subject to market forces such as price and service competition. They are administered by faceless bureaucrats who operate in a coercive monopoly context. There is no way government-provided services can begin to offer the quality of service we expect of the business community.*

**Don Doig**
**Montana Libertarian Party**
**Bozeman, MT**

**REASON subscribers are encouraged to write letters to the editor of their favorite newspaper, magazine, or journal, and to submit replies to TV and radio editorials, presenting libertarian views on topics of current interest. Each month REASON selects the most notable published letter or broadcasted reply for republication in this space, and honors the writer by a six-month extension of his or her REASON subscription. Send copies of your published letters or broadcasted replies to Reason Comment of the Month, Box 6151, Santa Barbara, CA 93111.**

the others were not? Is it unreasonable to assume that Jews (and others) marked for extermination were sent to special camps, so as to keep publicity to a minimum?

I'm afraid to say that Dr. Martin's comments are examples of convoluted and specious reasoning.

**Sylven L. Schaffer, M.D.**
**Tempe, AZ**

**Dr. Martin replies:** Dr. Schaffer's reaction to my observations is a prime example of what revisionists in *any* area are sure to encounter: enraged and indignant expostulations over the temerity of a skeptic of an entrenched orthodoxy. Psychic intimidation and the hope of incubating guilt feelings and shame as a consequence of being so rash as to defy a sanctified climate of opinion are venerable ploys.

Since Dr. Schaffer appears to be utterly innocent of the content of Rassinier's six books on the subject, I see no purpose in filling an issue of REASON with contradictions of the sacred and presumably unchallengeable sources advanced in his incensed condemnation, which easily could be done.

The well known English writer Colin Wilson recently suggested, after reading some of Rassinier, that a serious investigation of his thesis should take place. Wilson was promptly assailed personally with vicious billingsgate for making this moderate proposal. But that has been the lot of almost everyone who has advanced a similar recommendation. Dr. Schaffer is to be commended for eschewing the *ad hominem* venom which customarily accompanies a response such as his.—**J.J.M.**

**PROPRIETARY COMMUNITIES**

I, too, would like to see an article closely examining proprietary communities, but with one essential prerequisite; the assumption that such a community is desirable not for esthetics or economics, but desirable *morally*. Such an assumption could put a different light on every possibility from trailer courts to plush resorts, and also might suggest that a current choice for the individual might be two weeks a year at a proprietary community and the rest of the year in a non-proprietary city. The ultimate long-range goal would be, of course, to maximize the former, and live zero weeks under the gun.

Before Mr. Ramsey ("Letters," January) writes off proprietary communities on the basis of current experience, let me nominate my favorite: Sun Valley, Idaho. Not only is Sun Valley a corporate enterprise that either hires directly, or contracts for, the so-called "essential" municipal services, but, to the best of my knowledge, all this is done at a profit.

One reason for Sun Valley's success is that there is only one boss, and he is a damned good businessman who really cares about the business. I certainly would like to live there year-round, and it is considered a totally planned, though small, city.

To Mr. Klein's question of "do they do it cheaper" I wonder what, and how, to measure. Measured in war-dead, inflation,

robbery, and other coercive crimes, Sun Valley is nearly free. But I think Mr. Klein might have been wondering about the day-to-day, out-of-your-own-pocket expenses, in which case Sun Valley is not now inexpensive. However, if there were no taxes, and if Sun Valley continued to charge what they do now in terms of gross individual income, in theory at least, a Sun Valley could be affordable.

Regrettably, most of us are a long way from that kind of a goal.

**Jeff Place**
**Pacific Palisades, CA**

### CRIME AND GOVERNMENT

There is a great deal of conjecture in the press at present about why there is so much crime in the United States (where it has increased by 18 percent in the past year) and throughout the world.

Mostly the kidnappings, hijackings, urban terrorism & multifarious petty crimes are ascribed to extremist minorities or unbalanced individuals. However, I do not believe one can expect the public at large to show integrity in their lives when their elected governments are apparently able to indulge themselves in all manner of strange activities, both nationally & internationally, with such a striking lack of integrity.

These activities are, so we are told, for our own good. They can take the form of increased taxation (for ever more liberal social security handouts), economic tinkering with the inflate-machine, re-organization of education, surveillance of an individual, manipulation of foreign governments (for defense reasons, of course), etc.

One cannot help recollecting that government's purpose is to protect the rights of the individual. When a government can justify all those things mentioned in the previous paragraph as being a means to this end, then it seems equally possible for the lawless to be able to justify their murderous actions.

**Harry D. Schultz, Ph.D., D.Sc.**
**The International Harry Schultz Letter**

### SELF DEFENSE

There has been a lot written about guns in REASON. I personally merely think that if I have the right to defend myself, I have the right to defend myself with something. I'm glad I don't feel I need to, though.

**Brant Gaede**
**Park Ridge, NJ**

### BREADTH

I enjoy reading your magazine each month; however, I have one complaint. Each month almost the whole issue of REASON is devoted to Economics and Politics, with a smattering of History thrown in from time to time. Are there no libertarian writers interested in the sciences, the arts, philosophy? Is there no one willing to discuss the philosophical validity of the concept of entropy? the Heisenberg uncertainty principle? the moral problems faced by the scientist creating life? Is no one excited by advances is biology and medicine? Are there no libertarian computer scientists to explore artificial intelligence?

And the arts! I would be fascinated by introductions to Romantic literature; by the philosophy of music; by reviews of artists and possibilities of investment in *good* paintings. Where are the Rothbards of science and art, willing and able to teach their fields to laymen? (Anyone who has, like myself, tried to find an answer to a problem in physics or chemistry by resorting to a textbook knows my frustration.)

I am sure that I am not your only reader who yearns for a more varied magazine. Consider this a request from your intellectually undernourished admirers.

**Susan Winokur**
**Richton Park, IL**

### KUDOS

I applaud your creation of Spotlight. The people you have spotlighted so far have excited my admiration. It is encouraging to know that such people exist and what they are doing. I think it is important that REASON advertise people who have the courage and tenacity to battle our statist institutions and *win.*

**Jeff Tower**
**Berkeley, CA**

**Letters from readers are welcome. Each receives editorial consideration, although only a selection can be published and none individually acknowledged. They should be kept as brief as possible and are subject to condensation. Letters submitted for publication in this column should be typed, double-spaced. Send letters to REASON, P.O. Box 6151, Santa Barbara, CA 93111.**

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## BOOKS

*(continued from page 45)*

wage legislation shackling the invisible hand. Labor brokers must have the right to withhold their services from anyone, rentor or rentee, for any reason, and to make the performing of such services contingent upon *any* factor of their choosing, such as the payment of a fee, establishment of certain working conditions, or the support of a particular political candidate.

But this restoration of power that is rightfully theirs must be counter-balanced by the removal of power that they have usurped—such powers as laws requiring binding arbitration in labor disputes, or forcing recognition of any particular union as sole bargaining agent for the workers in any given industry, and countless others.

Despite its restricted vision, *The $100 Million Payoff* is a valuable book for clearly describing some serious abuses perpetrated by the Democratic Party and its bed-fellow, organized labor. ◻

*Gary R. Shroat is a graduate of Southern Illinois University at Edwardsville and is presently attending law school. He has done reviews for the St. Louis* Globe-Democrat *and the Milwaukee* Journal.

## CLASSIFIED

*ANNOUNCEMENTS*

**POETS ARISE!** I'm compiling an anthology of heroic prose and poetry to be published under the title, "Poetry for Heroes and Heroines!" It will be dedicated to the Randian sense of life, and will be illustrated. Contributors will be offered a contract for royalty payments. Send copies of your works to: Heroic Anthology, c/o Karl J. Bray, P.O. Box 2423, Orange, CA 92669. Deadline is July 4, 1976. Libertarian journals and newsletters are encouraged to reprint this notice.

**ATTENTION:** Pennsylvania, Ohio, West Virginia,—Libertas '76, Pennsylvania State Convention will be held in Pittsburgh on May 7 and 8. Agenda will include speakers and workshops. For information contact (412-563-4347) or Libertas, 1203 Greentree Road, Pittsburgh, PA 15220.

*(continued on page 58)*

# CLASSIFIED

*(continued from page 57)*

## *BOOKS*

**QUO VADIS?** Own your own guidebook to survival and growth in the business climate. THE EXECUTIVE JUNGLE may just give you the insights into your associates and yourself to allow you to make the most meaningful career decisions. Written for the aspirant, incumbent and spouse, you'll find the book entertaining and informative. Your postpaid copy, autographed by the author is available for $8.50 from: Irwin L. Rodman, 7701 Warner Avenue, Suite P 223, Huntington Beach, CA 92647.

**"A MODEL OPERATING BUDGET FOR A MEDIUM-SIZED TOWN** (with supporting payroll schedules)"—an ideal budget for libertarians to advocate at township or city council meetings for stopping irresponsible public spending. Send only $10.95 postpaid to Metropolitan Futures, Inc., Box 1151, Grand Central Station, New York, NY 10017.

**CAN BELIEF IN GOD** be justified on Objectivist grounds? Does the mind's capacity to know reality presuppose and logically imply the existence of God? Why do some Objectivists now believe in God? What are their arguments? And more importantly: Can you answer them? THEISTIC OBJECTIVISM: AN AUTOPSY states the arguments and provides an incisive Objectivist answer to them. 36 pages. $1.50. 2-10 copies: $1.25 each. Michael Emerling, 2627 E. Beverly, Tucson, AZ 85716.

## *EMPLOYMENT*

**WANTED:** Part-time bookkeeper, accountant, law clerk, secretary. San Francisco 788-1193.

**COMMERCIAL ARTIST,** seven years' experience, desires position with established company. Strong background in print production. Box W4, Reason for resume.

**WANTED:** Capitalist Travel Consultant, salary commensurate with ability and experience. Send Resume to: Miller's Travel Agency, Box 427, Peace River, Alberta, Canada. Attn: Dennis R. Miller.

**YOUNG LIBERTARIAN LAWYER**/recent law school graduate wanted for general practice with Detroit firm. Reply REASON, BoxY2.

## *FINANCIAL*

**OPERATE YOUR BUSINESS TAX FREE!** Utilize our tax haven trusts to render your accounts receivable *TAX FREE.* Send $3.00 for information. P.D. Kreminski, 26 Sweet Birch Dr., Meriden, CT 06450.

**HOW TO MAKE** TAX-SHELTERED AND TAX-DEDUCTIBLE INVESTMENTS IN ANYTHING: new, copyrighted book details creative, legal approaches. Essential for all Investors/collectors. Make your wisest investment now: $11.98 or $3.80 in 90% pre-'65 silver (Calif. orders add 6%). Apex, P.O. Box 111, Orange, CA 92666.

## *PERSONALS*

**WANTED:** Back issues of the Objectivist Magazine. Will pay *high* price (within reason). Needed: Vol. 8 No. 7 July 1969 to Vol. 10 No. 10 Oct. 1971 inclusive. That's 28 issues. How much apiece? Ophelia Betty Hendrie, 39A Rockwood, Middletown, NY 10940 or 914-692-4353.

**MALE FILM STUDENT** (am at USC), 36, seeks a caring relationship with a woman of romantic outlook who has a very strong interest in some of the arts like film, music, theater, literature, painting, etc. Box V5, REASON.

## *PRODUCTS*

**VALUABLE LIFE EXTENSION DATA OFFER:** Interested in non-faddist scientific/technical progress in life extension? Annotated bibliography of references from primary scientific literature $1 postpaid. Moneyback guarantee. Dawn Enterprises, Box 90913-R7, Los Angeles, CA 90009.

**BOYCOTT THE IRS,** 2¼" button, gold on black, 1 for 60¢, 5 for $2.00, 20 for $5.50. CELL, Box 622, Southfield, MI 48075.

**PALM-SIZE STICKERS FOR PUBLIC PLACES.** Simon Jester (lunar revolutionary) is now offering 8 different 2½" x 1½" stickers. Subjects include: taxes, public schools, anarchy, Libertarianism and more. Sample package (1 of each + catalog) = $1.00. Simon Jester, Dept. B, 5047 SW 26th Dr., Portland, OR 97201.

**HAVE YOU EARNED THE RIGHT TO WEAR A DOLLAR SIGN?** Reward yourself by owning a *solid* gold 14k dollar sign ($) 3/4" tall. Available in tie tack, pin and catch, stick pin and necklace (w/o chain). ORDER TODAY! Only $24.50, sterling $13.50. Insured. David Hester, 5823 Sandhurst #C, Dallas, TX 75206.

**REPEAL THE INCOME TAX**/Support the Liberty Amendment stickers. 500 for $5.00. Liberty Amendment info. packets also available for $1.00 ea. Send to: Liberty Amendment Committee U.S.A., 6413 Franklin Ave., Los Angeles, CA 90028.

**FONSSAGRIEVE** original bronze of "Sky Diver" inspired by Roark opening chapter. $3000. Send for photo. Box 66, REASON.

**OLDIES 45 RPM** — top hits of past 15 years. Elvis, Little Richard, Dion, other originals. Discount catalog, National Hits, Box 346, Utica, NY 13503.

**NOW AVAILABLE IN N.C.!** Bulk (#10 cans) freeze dried & dehydrated foods by MT. HOUSE —for recreation, home convenience or storage. Special rates on prepaid case and/or unit orders —20% off retail. Allow 6-8 wks. delivery. For information write TRIPLE "L" FOODS, Rt. #4, Box 555, Lexington, NC 27292.

**VINYL BUMPERSTICKER** "Don't Re-elect Anybody!" $1 p.p. Also, your own message on bumperstickers, buttons, etc. Inquire. H-G Enterprises, Dept. R, Clarklake, MI 49234.

## *PUBLICATIONS*

**NEW INDIVIDUALIST REVIEW** has become a collector's item—a genuine classic of libertarian scholarship, published from 1961 to 1968. Articles by Murray Rothbard, Yale Brozen, Milton Friedman, Ludwig Mises, F.A. Hayek. For free brochure, contents of all available issues, send stamped envelope to Joe Cobb, Box 1776, Chicago, IL 60690.

**POLYMATH:** bimonthly monographs in proto-philosophy, proto-science, proto-libertarianism. $3 yearly. Sample 65¢. 421-1 W. 6th, Tallahassee, FL 32303.

**THERE IS NO FREE LUNCH!** EGO, a new, exciting quarterly journal offers a rational alternative to the "free lunch" morality. Romantic fiction & challenging nonfiction. $8/year. Box 31312, San Francisco, CA 94131.

**HOW TO CALCULATE YOUR ODDS FOR SURVIVAL SUCCESS IN A NATIONAL CRISIS.** $2.00 per copy postpaid. Survival Forecast, Dept. R-76, Box 68, Worth, IL 60482.

**THE ARTS OBJECTIVELY**—a quarterly journal examining the politics of communications. Upcoming: Government Art Subsidies; the 1976 Romantic Music Festival, plus an interview with its founder, Frank Cooper; Holland's experimental theater; and fiction dramatizing objectivist ethics. Sample—$1. One year subscription—$3.50. Send payment to: PODIUM II, P.O. 15716, Phila., PA 19103.

**MEET PEOPLE** who think like you, in MATCHBOOK, the dating magazine that works! Send $1.00 today to: MATCHBOOK, P.O. Box 308-RE, Boston, MA 02117.

**COGITATIONS**—current topics under discussion: Piagetian epistemology, Glasserian Reality Therapy, Transactional Analysis and Libertarians, Kohlberg's developmental theory of moral development, political machinations, an experiential defense of free will, Selye's theory of stress and life, and much more. Send $5 for one year (11 issues): P.O. Box 172, Pelham, NH 03076.

## *REAL ESTATE*

**FOR SALE: MOUNTAIN HIDEAWAY.** 40 secluded acres in Santa Lucia Mountains above San Simeon. Large esthetic cabin with fantastic ocean view. Garden—Greenhouse—Water—Propane—Electricity and Telephone hookup nearby. Privacy unlimited. $80,000.00. Call 805-927-3388 in P.M.

## *SERVICES*

**YEARLY RENEWABLE TERM LIFE INSURANCE** guaranteed renewable to age 90. Example: Age 35 $100,000. Annual premium is $188; age 36 is $195. David Holmes, 3310 San Saba Dr., San Jose, CA 95122. 408-238-2614 for California, Illinois, Michigan, Indiana.

**SMALL PARTS PRECISION MACHINED** to your design. Lathe, drill, milling, and grinding table available for mail order custom machine work. Machinist is experienced experimental and automotive machinist. Metric and inch available. Charles Curley, Box 46282, Los Angeles, CA 90046. Shop the counter-economy!

**INCOME TAX RETURNS,** tax planning, prepared by Certified Public Accountant, San Francisco/Bay Area 788-1140.

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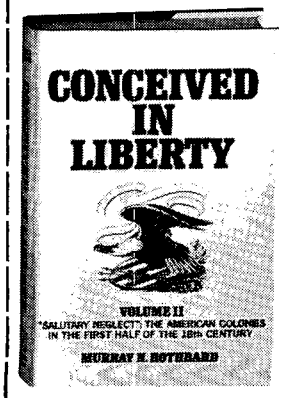
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